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UNIDO and the 2030 Agenda for Sustainable Development

UNIDO and the 2030 Agenda for Sustainable Development

Report by the Director General

The present document provides information on the contribution of UNIDO to the 2030 Agenda for Sustainable Development. It is written in line with General Conference resolutions GC.15/Res.1 and GC.16/Res.2, and in accordance with conclusion 2016/6 of the Programme and Budget Committee and decision IDB.44/Dec.9 paragraph (e) (i) of the Industrial Development Board, requesting the Director General and the Secretariat to enhance the dialogue and liaise with representatives of Member States on UNIDO's contribution to the achievement of the 2030 Agenda for Sustainable Development and the high-level political forum (HLPF). This report builds on the update by the Director General on the implementation of the Lima Declaration in document GC.16/7, which provided an action plan for supporting and monitoring progress towards achieving inclusive and sustainable industrial development (ISID), as a concrete follow-up to the industry-related development goals of the 2030 Agenda. The present document also includes UNIDO activities in support of least developed countries (LDCs) and the Third Industrial Development Decade for Africa (IDDA III).

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I. Overview

1. The Sustainable Development Goals (SDGs) report 2018[1] notes that while people overall are living better lives than they were a decade ago, progress to ensure that no one is left behind has not been rapid enough to meet the targets of the 2030 Agenda. Three in 10 people lack access to safely managed drinking water service (Goal 6). Youth are three times more likely to be unemployed than adults, with the global youth unemployment rate at 13 per cent in 2017 (Goal 8). One billion people are still living without electricity (Goal 7), while the five-year average global temperature from 2013 to 2017 is the highest on record (Goal 13).

2. There continue to be calls for the decoupling of economic growth from resource use, urging for policies that will create an enabling environment for such change (Goal 12). Competitive economic forces also need to be unleashed to generate employment and income, facilitate international trade and enable the efficient use of resources to achieve inclusive and sustainable industrialization (Goal 9). Where progress has been slow, development stakeholders have been urged to intensify their efforts (Goal 16).

3. The SDGs are interlinked by nature, and it is clear that integrated approaches will be needed to ensure that progress is made towards achieving the 2030 Agenda for Sustainable Development. Cognizant of this, UNIDO's medium-term programme framework (MTPF), with its stated management objective of integration and scale-up, promulgates the harnessing of synergies across UNIDO's four core functions with the aim of moving towards programmes that will deliver a higher development impact. The integrated results and performance framework supports UNIDO in measuring, monitoring and reporting on its contribution to the advancement of the 2030 Agenda, and to the SDGs that are relevant to the Organization's mandate.

II. Follow-up and review at the global level

4. At the global level, and as part of the follow-up and review of the 2030 Agenda, the Industrial Development Board of UNIDO submits inputs to the HLPF. Following last year's submission[2], in which the role of industrialization for development and poverty reduction was highlighted, the Board's input to the HLPF 2018[3] concentrated on the nexus between affordable and clean energy (Goal 7) and ISID. The submission also showed how ISID encompassed the promulgation of growth within an environmentally sustainable framework, decoupling industrial activities from negative environmental impacts and natural resource use. ISID also embraces the 2030 Agenda principle of "leave no one behind" by promoting equal opportunities and equitable distribution of the benefits of industrialization.

5. The inputs provided by the IDB to the HLPF 2018 showed how the reviewed SDGs 6, 7, 11, 12, 15, and 17 were vital for the achievement of ISID, and vice versa. It emphasized the following aspects:

(a) Sustainable industrial development that promotes clean energy solutions and reduces the environmental footprint of both production and consumption contributes to the preservation of natural resources, such as water, soil and biodiversity;

(b) Energy efficiency policies, technologies and practices, as well as countries having access to affordable renewable energy for the facilitation of productive activities will provide Member States with an opportunity to follow a low-carbon and low-emissions growth path;

[1] https://unstats.un.org/sdgs/report/2018.
[2] https://sustainabledevelopment.un.org/index.php?page=view&type=30022&nr=668&menu=3170.
[3] https://sustainabledevelopment.un.org/content/documents/18173IDB_input_to_HLPF_2018.pdf.

(c) Efforts towards a low-carbon and low-emission growth path will enable smart industries and industrial clusters in urban industrial zones to achieve resource efficiency, and support countries to develop the required industrial competitiveness for local businesses in the global markets.

6. The HLPF 2019 will address the theme "Empowering people and ensuring inclusiveness and equality", and will conduct an in-depth review of SDGs 4, 8, 10, 13, and 16, in addition to the annually reviewed Goal 17.

III. UNIDO's activities in support of LDCs and the Third Industrial Development Decade for Africa (IDDA III)

7. UNIDO is implementing the IDDA III roadmap to: (a) increase technical assistance programmes and projects for Africa's industrialization; (b) foster partnerships with relevant stakeholders on a national, regional and continental level for closer collaboration on key IDDA III priority areas; (c) enhance the visibility of the initiative through various global forum activities, as well as advocacy and outreach campaigns; and (d) assist with the mobilization of necessary resources for industrialization programmes on the continent.

8. Aligned to the roadmap, UNIDO is expanding the Programme for Country Partnership (PCP) approach to other African countries, in addition to cooperating with the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development and the African Development Bank to promote agribusiness development within the African Agribusiness and Agro-industries Development Initiative (3ADI). Other cooperation enhancements include a new agreement signed with the African Union Commission to strengthen cooperation in line with Agenda 2063.

9. In September 2018, UNIDO co-organized a high-level meeting in the margins of the 73rd session of the General Assembly, which discussed the opportunities presented by IDDA III to expand trade and related capacities of Africa through enhanced industrial competitiveness. Continuing the advocacy of IDDA III, UNIDO and the European Investment Bank organized "Africa Day" on 22 November 2018 in Addis Ababa, which featured a panel discussion focused on the financing of industrialization programmes. UNIDO is implementing a "Championship Programme for IDDA III", through which IDDA III champions are being identified to support UNIDO in its IDDA III-related efforts.

10. UNIDO's operational strategy towards LDCs (2012–2020) is based on a three-dimensional approach and derives directly from the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020 (IPoA). The IPoA has the overarching goal to overcome the structural challenges faced by LDCs to eradicate poverty, achieve internationally agreed development goals and enable graduation from the LDC category. Specifically, the IPoA sets an ambitious objective of enabling half the number of LDCs to meet the criteria for graduation by 2020.

11. UNIDO is continuing its technical cooperation programmes in different fields, providing advisory services, organizing global forums geared towards LDCs, in addition to expanding its PCP model to LDCs in all regions and to collaborate with the United Nations Secretariat, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and other development partners in supporting LDCs on their path towards graduation.

12. Seventy per cent of LDCs, particularly in Africa, are currently being supported in environmental-related projects. UNIDO's programmes in this area are built on three pillars: industrial energy efficiency, renewable energy for productive uses, and climate policy and networks.

13. LDCs in Africa and in the Asia and the Pacific are also being supported in their industrial policy plans and strategies through tailored advisory services, including fostering of the inclusion of youth and women.

14. Bangladesh, Lao People's Democratic Republic and Myanmar fulfilled the graduation criteria for the first time in 2018, with Bangladesh and Myanmar meeting all three graduation thresholds.

IV. Action required of the Board

15. The Board may wish to take note of the information contained in the present document.

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United Nations Development System reform

United Nations Development System reform

Report by the Director General

The present document provides information on UNIDO's engagement with and positioning within the ongoing reform of the United Nations development system (UNDS). On 21 December 2016, the United Nations General Assembly adopted resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR). Guided by the 2030 Agenda for Sustainable Development, the United Nations reform aims to deliver effective support to countries for sustainable, equitable and accountable development under national ownership and leadership. In June 2017, the United Nations Secretary-General launched his first report on repositioning the UNDS. The report contained a system-wide mapping of the UNDS' current functions and capacities. The second report of the Secretary-General was subsequently released in December 2017. This report elaborated on the proposals noted in his report of June 2017. On 31 May 2018, the General Assembly adopted the final draft text on the repositioning of the UNDS.

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I. Overview

1. Resolution 71/243 on the QCPR, adopted on 21 December 2016, initiated the ambitious plan for the reform of the United Nations to deliver effective support to countries for sustainable, equitable and accountable development under national ownership and leadership. It aimed at providing guidance for the UNDS, and is aligned to the 2030 Agenda for Sustainable Development adopted in 2017. In 2018, UNIDO aligned its medium-term programme framework (MTPF) to the QCPR in accordance with resolution 71/243 (GC.17/6).

2. Evidence from the analytical reports in support of the UNDS reform (a) identified significant gaps in the thematic coverage of SDGs, which were particularly evident in the "new" Goals relating to the economic and environmental dimensions of sustainable development. A report found that Goal 9 (industry, innovation and infrastructure), as well as the Goals relating to water, energy and the environment (SDGs 6, 7, 12, 13, 14, and 15) were underfunded and under-implemented; (b) revealed that the UNDS had yet to transition to the 2030 Agenda; and (c) highlighted the need to ensure that the three core elements of sustainable development, the economic, social and environmental dimensions, are balanced.

3. On 31 May 2018, the United Nations Member States adopted resolution 72/729 on the repositioning of the UNDS, comprising seven transformational areas of reform: (a) a system-wide strategic document as a strategic tool to guide and accelerate alignment with the 2030 Agenda, focused on concrete actions; (b) a new generation of United Nations country teams, demand-driven and tailored to meet the specific development priorities and needs of countries; (c) an impartial, independent and empowered resident coordinator (RC) system, establishing a development-focused country team with stronger capacity, accountability and impartiality; (d) a coordinated, reprofiled, and restructured regional approach for a better cohesion and coordination at the regional level; (e) the strengthening of horizontal governance and system-wide transparency and evaluation; (f) the strengthening of United Nations partnerships and South-South cooperation; and (g) a funding compact aimed at setting out mutual commitments to foster investments in the United Nations system towards a stronger funding mechanism for the 2030 Agenda.

4. As an active member of the UNDS, the reform process is of importance to UNIDO. Committed to change and align itself to the reform objectives, UNIDO supports the reform to implement its mandate more effectively and in closer cooperation with development partners, while ensuring the balanced implementation of the 2030 Agenda.

II. UNIDO's engagement in the UNDS reform

5. The Organization has participated in various working groups and discussions on the UNDS reform, including following the debates at the Economic and Social Council in New York. These discussions have extended to the Chief Executive Board for Coordination, and its related committees, including the High-Level Committee on Programmes, the High-Level Committee on Management and the United Nations Sustainable Development Group (UNSDG).[1]

6. Internal briefings with UNIDO staff were also held throughout 2017 and in 2018, to raise awareness of the UNDS reform and processes. A channel of communication on the UNDS reform has been established between Headquarters and field offices. Briefings on the UNDS reform were also held for UNIDO Member States and the Informal Working Group on Programme and Budget Committee-related issues.

[1] UNIDO senior staff members are engaged in all four UNSDG results groups on (i) SDG implementation; (ii) strategic financing; (iii) strategic partnerships, and (iv) business innovation.

7. Since the beginning of the transition to the reinvigorated system in June 2018, and following the appointment of Mr. Robert Piper as the Assistant Secretary-General and Head of the Transition Team, UNIDO responded by submitting a candidate for secondment to the Transition Team. This was done to support the work of the Transition Team, in particular the development of an implementation plan for the new RC system; the transition to the reinvigorated RC system, including its funding; the development of foundational studies to determine the regional architecture; and the funding dialogue with Member States.

8. In September 2018, the Organization welcomed Mr. Piper in Vienna, hosting and coordinating his consultations with UNIDO Member States and other Vienna-based Permanent Mission, as well as with the Vienna-based Organizations. UNIDO will continue to analyse the implications of the reform for the Organization and closely follow further developments of the reform. UNIDO intends to keep its Member States informed, particularly given the importance of this issue for the deliberations on the Programmes and Budgets 2020–2021.

III. Positioning UNIDO within the UNDS reform

9. UNIDO will strive to position itself in the UNDS reform by focusing on its substantive technical expertise as the United Nations' specialized agency on industrial development. While UNIDO's sphere of influence in the reform may be limited, it hopes to leverage its resources to be fit for purpose, inter alia, through:

(a) The integration of UNIDO's four core functions via the management objective of integration and scale-up that enables the Organization to take a more holistic approach in its support to Member States. With the implementation of the integrated results and performance framework, UNIDO is able to explain its contribution to ISID and the 2030 Agenda more effectively, strengthening its relevance as the United Nations' industrial development specialist;

(b) A continued approach of active engagement, identifying effective ways of working with other entities of the United Nations system and beyond, leveraging its flagship Programme for Country Partnership, and its technical cooperation portfolio of projects. UNIDO signed 28 new United Nations Development Assistance Frameworks (UNDAFs) in 2017, and is currently implementing 48 UNDAFs. In the same year, UNIDO cooperated on joint programmes with 18 United Nations agencies across 30 countries and it is currently planning to develop 35 joint programmes covering 25 countries;

(c) Maintaining its role in the RC system where UNIDO is represented in the Inter-Agency Appointment Panel. UNIDO also stands ready to strengthen its pool of candidates for RC positions, and to contribute to the RC offices, ensuring that specific technical know-how is directly accessible;

(d) UNIDO will maintain its active engagement with Member States on the RC system funding, and will look to their guidance regarding the requested doubling of agency contributions to the RC system.

IV. Action required of the Board

10. The Board may wish to take note of the information contained in the present document.

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UNIDO activities in energy and the environment

UNIDO activities in energy and the environment

Report by the Director General

The present document reports on the implementation of General Conference resolution GC.17/Res.4 and provides information on latest developments. It supplements the information contained in progress reports presented to the Industrial Development Board in the Annual Report of UNIDO 2016 (IDB.45/2) and 2017 (IDB.46/2).

I. Towards a Circular Economy

1. UNIDO's Departments of Energy (PTC/ENE) and Environment (PTC/ENV) are addressing the topic of Circular Economy directly, participating in international forums and adjusting their programmes of work to offer Member States feasible means by which to (a) introduce circularity into their economies in general, and industrial processes in particular, and (b) adapt to evolving international trade dynamics.

2. PTC/ENE is supporting Member States embrace the Circular Economy by catalysing entrepreneurship and eco-innovation via the Global Cleantech Innovation Programme (GCIP). PTC/ENE is also supporting circularity through Energy Service Companies promoting business models offering energy as a service, not a product. Through the promotion of renewable energy and local manufacturing of clean energy equipment, PTC/ENE is also helping displace fossil fuels and the linear economy characterized by them.

3. PTC/ENV, through its Resource Efficient and Cleaner Production Programme and Transfer of Environmentally Sound Technologies methodology, contributes to improved resource efficiency and greater circularity in industry. Particularly through its Stockholm Convention, but also Montreal Protocol and Minamata Convention activities, PTC/ENV eliminates toxic or otherwise harmful substances to counteract degradation of resources and promote recycling and re-use, and improves the viability of recycling processes. The Montreal Protocol Division achieves extended product

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durability by promoting improved design, updated manufacturing and qualified service and repair. This not only supports resource circularity, it also creates and secures employment in Member States' economies.

4. On the policy level, PTC/ENV undertook three informal briefings to Member States, as per GC.17/Res.4, paragraph 2(i), addressing aspects and implications of Circular Economy and collecting experiences. PTC/ENV also led UNIDO's participation in ten high-profile Circular Economy-themed events during the reporting period, firmly establishing UNIDO's global leadership and expertise in this area.

II. Enhancing service delivery

5. In line with GC.17/Res.4, paragraph 2(a), the departments are increasing linkages under multi-focal areas, such as Circular Economy, Sustainable Cities, and the Programmes for Country Partnership, to improve service delivery. This emphasis is also critical for improving UNIDO's delivery of programmes co-financed by the Global Environment Facility (GEF).

6. PTC/ENE has restructured to ensure that UNIDO's services respond more effectively to Member States and that UNIDO's interventions are leading edge and reflect the ongoing convergence of energy systems and technology (i.e. distributed generation, digitalization, storage). Additionally, an evaluation of PTC/ENE's impact over the last decade is underway, systematically analysing completed and ongoing projects to identify opportunities to improve performance and UNIDO's overall development impact.

7. Both departments are closely involved in the development of the UNIDO-wide Integrated Results and Performance Framework, ensuring a close alignment of programmatic objectives with measurable progress towards achieving the Sustainable Development Goals (SDGs).

III. Technical assistance to industry

8. Together with the GEF, UNIDO has launched GCIP to identify and commercialize transformational innovations. GCIP accelerated over 860 start-ups, contributing to private sector development in eight partner countries. In addition to launching the 2017 Global Cleantech Innovation Index, GCIP will further expand its geographic scope and broaden impact categories as of 2018 to provide innovative solutions in energy, food and urban systems.

9. The global Green Chemistry initiative, launched by UNIDO and Yale University, has been fostering innovation by holding workshops and training courses, and by developing university curricula, to promote the adoption of Green Chemistry in six target countries.

10. UNIDO is implementing eco-industrial park (EIP) projects in seven countries (China, Colombia, India, Morocco, Peru, South Africa, and Viet Nam). Starting in 2019, UNIDO's EIP activities are planned to increase significantly in magnitude and impact through the global EIP programme, funded by the Government of Switzerland.

11. UNIDO's artisanal and small-scale gold mining (ASGM) programme has grown from technology transfer interventions to an integrated approach that covers formalization, supply chain and mercury-free gold extraction, supporting the implementation of a wide range of SDGs.

IV. Policy and regulatory support

12. UNIDO supports 20 countries with the adoption of standards in the ISO 50001 family as national energy management standards. It also supports their technically sound deployment through the training and qualification of workforce and service

providers, with 600 people qualified as "Energy Management Systems" (EnMS) experts and more than 400 as Energy System Optimization experts.

13. In parallel, UNIDO has worked to expand the scope of its core normative function for energy efficiency in industry by initiating work and service streams to promote and support minimum energy performance standards and technical regulations for industrial equipment in China and Egypt.

14. UNIDO convened a plenary session at the Eco Global Forum 2018 in Guiyang, China, as a starting point for developing carbon neutral infrastructure along the Belt and Road Initiative (BRI). This project provides a standardized framework to ensure infrastructure is carbon neutral, and to de-risk and spur investment from financial institutions in BRI countries.

15. PTC/ENE in partnership with the Department of Trade, Investment and Innovation is working on technical guidelines for the development of international standards for small hydropower plants. Funded by the Government of China, the project creates job opportunities through sustainable industrialization and is part of UNIDO's effort to help developing countries apply clean energies.

16. UNIDO assists more than 60 countries to develop and update their national implementation plans for the Stockholm Convention and conducts Minamata Convention initial assessments in 24 countries, while leading national action plans for the ASGM sector in seven countries. For the Montreal Protocol, UNIDO implemented Hydrofluorocarbons phase-out management plans in 86 countries, and carried out institutional strengthening projects in over 70 countries.

17. With the World Bank Group and the German Agency for International Cooperation, UNIDO contributed to the normative side of EIP development through the publication of "An International Framework for Eco-Industrial Parks (2017)".

18. Through the Partnership for Action on Green Economy (PAGE), UNIDO aligns green industry policymaking with circular economy principles and works with governments of countries participating in PAGE to scale up the environment activities by UNIDO.

19. Through the Global Mercury Partnership, UNIDO is providing technical guidance to parties of the Minamata Convention, co-leading the ASGM and chlor-alkali focal areas.

V. Global forums and networks

20. UNIDO's Member States were engaged in meetings and discussion throughout the year to provide inputs for UNIDO contribution to the High-Level Political Forum's (HLPF) review of SDG 7, 12 and 17. As part of these consultations, a special session of the Vienna Energy Forum (VEF) was convened in May 2018. The VEF was followed in July by the HLPF review in New York where policy recommendations from the Board were presented on accelerating sustainable energy and ISID for sustainable and resilient societies.

21. In October 2018, UNIDO is organizing the fifth Green Industry Conference together with the United Nations Economic and Social Commission for Asia and the Pacific and the Government of Thailand. The Conference will serve, inter alia, to establish future Green Industry conferences as a global process informing the international policy landscape.

22. On 14 and 15 November 2018, UNIDO is organizing an international meeting in Vienna on Circular Economy, with a focus on recycling industries. The meeting will act as an extension, on a technical level, of the informal briefings to Member States on Circular Economy.

VI. Outlook

23. The re-orientation of PTC/ENV's portfolio to comprehensively address the global implementation and implications of the Circular Economy will continue. For example, UNIDO will promote a value chain approach, together with global fashion brands, for the sustainable management of persistent organic pollutants in the cotton, textile and garment sectors. Furthermore, the forthcoming global programme on EIPs will promote policy, technical and financial interventions that are fundamental to establishing a Circular Economy.

24. UNIDO's engagement with the Green Climate Fund (GCF) continues on the one hand through a series of "GCF Readiness Projects" with the Climate Technology Centre and Network, the first of which was now approved. On the other hand, it continues through the promotion of UNIDO's "Energy Management Systems (EnMS) Programme". This programme demonstrates a very high degree of cost efficiency relative to greenhouse gas mitigation, while leveraging hundreds of millions of dollars in investments by partner companies. The EnMS programme thereby offers the potential to unlock significant markets for the effective deployment of GCF climate finance.

VII. Action required of the Board

25. The Board may wish to take note of the information provided in the present report.

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Sustainable industrial development in middle income countries

Strategic Framework for Partnering with Middle-Income Countries

Report by the Director General

In line with resolution GC.17/Res.6, this document proposes a strategic framework for collaboration of UNIDO, within its mandate and resources, with middle-income countries aimed at promoting their achievement of inclusive and sustainable industrial development. The present document outlines the scope and prospects for programmatic cooperation between UNIDO and its MIC Member States.

I. Introduction

1. At its seventeenth session, the General Conference mandated UNIDO to develop a strategic framework for cooperation with middle-income countries (MICs) (GC17/Res.6). This important step came five years after the landmark San José Declaration, entitled "Challenges for Sustainable Development and International Cooperation in Middle-Income Countries: The Role of Networks for Prosperity" (IDB.41/Dec.4), which was adopted in June 2013, and two years after the adoption of the 2030 Agenda for Sustainable Development, including the 17 Sustainable Development Goals (SDGs).

2. UNIDO's strategic framework for partnering with MICs is founded on the Organization's consideration of MICs as key partners given their dual role as recipients and contributors of development, and also on the critical importance of the role of MICs in South-South knowledge exchange and cooperation. It is also based on the mandate of UNIDO to promote the achievement of inclusive and sustainable industrial development (ISID) in its Member States, particularly through the implementation of Goal 9, to "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation".

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II. Characterization of MICs as partners for ISID

3. The 2030 Agenda provides the framework for the re-emergence of the dual role of MICs as both recipients and providers of development assistance. Their role as recipients or as countries eligible for development assistance is justified by, among other key features: (a) scarce industrial and economic diversification; (b) MICs' low productive activities focused on a few key industries and exports; and (c) high dependence on the export of commodities, therefore making them vulnerable to fluctuations in prices on global markets.

4. In parallel, their role as providers of development assistance, including through South-South cooperation (SSC) modalities, is substantiated by their income status, particularly among upper-MICs, and substantial economic resources, some MICs being among the largest economic powers in the world by nominal GDP.

5. In this context, and given UNIDO's unique mandate of ISID, the Organization will strengthen its partnership with MICs individually and in multi-stakeholder agreements to position UNIDO as the main partner for ISID and for the national implementation and attainment of Goal 9 and other industry-related goals of the 2030 Agenda.

III. A rationale for this strategic framework

6. Currently, 97 out of 168 UNIDO Member States are MICs. This is fifty-eight per cent of the total of UNIDO Member States. MICs host five of the world's seven billion people and 73 per cent of the world's poor people. In parallel, this group of countries produces about one third of global gross domestic product (GDP). MICs are major engines of global growth and, therefore, essential for continued global economic growth and stability. Considering the relevance of this group of countries, both in general and in terms of percentage of UNIDO's membership, the renewed framework for partnering with MICs recognizes the vital importance of articulating ISID solutions to effectively respond to the specific development challenges of MICs.

7. The engagement envisaged in this framework for partnering with MICs is in line with UNIDO's medium-term programme framework (MTPF) 2018–2021. This proposal is meant to serve as a guiding framework to steer UNIDO's partnership and cooperation with MICs

8. The dual role of MICs as recipients and providers of development assistance through SSC practices will have a positive impact on least-developed countries as beneficiaries of knowledge and technology transfer. For traditional donors, SSC will complement, not replace, North-South cooperation practices, thereby also benefitting this group of countries.

IV. Strategic goal and vision

9. As mandated by GC.17/Res.6, the overall goal of this strategic framework is to "advance UNIDO's industrial cooperation activities with and to promote inclusive and sustainable industrial development in middle-income countries". The envisaged engagement is outlined here below under each of the four thematic priorities of the MTPF 2018–2021: (a) creating shared prosperity; (b) advancing economic competitiveness; (c) safeguarding the environment; (d) strengthening knowledge and institutions.

A. Creating shared prosperity

10. Within the framework of this thematic priority, UNIDO fosters ISID, poverty reduction and social cohesion. In the context of its strengthened partnership with MICs, the Organization will aim at catalysing its expertise in: (a) improving agricultural processes and light manufacturing to help MICs achieve their respective structural upgrading by increasing both productivity and incomes; (b) strengthening producer groups; (c) helping increase the value added to primary production; and (d) providing access to infrastructure and ensuring energy security.

B. Advancing economic competitiveness

11. Under this thematic area, UNIDO will aim at supporting middle-income economies in creating sustainable jobs, attracting investment and particularly in adopting new technologies for the achievement of ISID. UNIDO's work on Industry 4.0 and science, technology and innovation (STI) will be instrumental to enhance the Organization's efforts at improving productive capacities and supporting the structural transformation of the economies in MICs. The Organization will therefore promote and scale up the implementation of programmes on: (a) the dissemination and uptake of new, enhanced technologies and the introduction of innovations in manufacturing processes; (b) facilitating the adaptation to rapid technological changes; (c) fostering prospects for industrial and trade diversification, value addition, enhanced productivity, economic growth, and job creation; and (e) providing policy-advisory services to governments on setting up regulatory frameworks in the respective areas. UNIDO's focus on technology transfer and skills development will accelerate the implementation of good technology practices and industrial skills development.

C. Safeguarding the environment

12. Through its environment and energy-related programmes and projects, UNIDO will address the priorities of MICs in this area by assisting governments, institutions and industries to best adapt their production methods, move towards cleaner production systems and develop sustainable and efficient energy solutions. UNIDO's focus on promoting green economy and providing circular economy solutions that promote recycling, resource recovery and the sustainable use of natural resources will be of particular relevance to MICs. UNIDO will keep supporting MICs in meeting their obligations under multilateral environmental agreements, including the Montreal Protocol, the Stockholm Convention and the Minamata Convention on Mercury.

D. Strengthening knowledge and institutions

13. This thematic priority of the MTPF 2018–2021 enables a shift from a conceptual and sectoral perspective to a perspective focused on advancing ISID through the cross-sectoral knowledge and institutional capacities of the Organization. Activities under this thematic priority therefore, will encompass all functions of UNIDO. Of interest to MICs will be the associated UNIDO services in such areas as, inter alia, policy analysis or capacity-building on industrial statistics.

V. Priority areas of intervention

14. The strategic framework for partnering with MICs recognizes the critical relevance of technology transfer for achieving the necessary industrial upgrading that allows MICs to accelerate their graduation into the high-income status. Specific efforts will be dedicated to accelerate the modernization of industrial processes,

which are necessary to increase the productivity of the industrial sector, and facilitates escaping out of the middle-income trap.

15. In this vein, and in light of the overarching nature of STI, UNIDO will prioritize the implementation of technical activities in the areas of: (a) Industry 4.0; (b) circular economy; and (c) the future of industrial skills. These streams of work will be guided by the Organization's strategic positioning on STI, currently under elaboration. Intensive efforts will be made to promote initiatives leading to: (a) improving industrial productive capacities and supporting the structural change of the economies of MICs; (b) anticipating the needs of MICs in terms of industrial skills and implementing programmes addressing these; and (c) promoting low-carbon technologies and circular systems, as well as investments in resilient infrastructure.

VI. Means of implementation

16. Effective industrial development assistance will be provided through UNIDO's four enabling functions of technical cooperation; analytical and research functions and policy advisory services; normative functions and standards and quality-related activities; and its convening role and partnerships. The UNIDO strategic framework for partnering with MICs will be operationalized through the following:

(a) *Partnerships and financing*: Leveraging partnerships and strategizing cooperation with individual MICs and the MIC group as a whole to scale up the Organization's development impact will be at the core of the renewed strategic framework for cooperation. Traditional forms of financing ISID will be strategically oriented through a deep analysis and mapping of thematic and geographical priorities of potential donors, both traditional and emerging, and a careful selection of those related to UNIDO's mandate. UNIDO will stress the identification of strong national partner institutions, such as business associations, universities, knowledge hubs, and NGOs, with whom to pursue joint initiatives in the area of ISID. In addition to the traditional model for partnering, UNIDO's renewed approach to MICs will have a particular focus on:

(i) *Partnering with the business sector and development finance and international financial institutions (DFIs/IFIs)*: A building block of the strengthened cooperation with MICs should be partnering with private sources of finance, including financial and direct investment, and DFIs/IFIs. Consistently partnering with the business sector will ensure that UNIDO can substantially contribute its experience and perspectives through its technical assistance and normative interventions into industry in MICs. In parallel, a gradual expansion of multi-stakeholder approaches such as the Programme for Country Partnership will increase UNIDO's role in the industrial development of MICs by assisting them to achieve a higher development impact. Multi-stakeholder platforms will be a place to discuss, share information and unleash the potentials of the different actors involved in specific ISID areas. UNIDO's efforts should also prioritize and support the internationalization of the private sectors in MICs through international exhibitions, fairs, business missions, and business-to-business events. Efforts will also be focused on deepening cooperation with DFIs/IFIs, particularly by providing technical assistance with grant support from DFIs/IFIs, and by supporting governments of MICs in the implementation of IFI/DFI-financed programmes or projects.

(ii) *Partnering within the United Nations system*: UNIDO also envisions strengthening its collaboration with other United Nations entities. Based on the technical comparative advantage of UNIDO, and considering the prioritization of the economic and environmental dimensions of sustainable development in the new generation of United Nations Development Assistance Framework, cooperation with other United Nations entities will be key to position the Organization as the focal point for all the ISID activities in MICs. UNIDO will actively participate in joint funds mobilization within United Nations Country

Teams and explore opportunities arising from the repositioning of the United Nations development system, including raising funds from the Joint Fund for the 2030 Agenda and other relevant instruments. While United Nations coordination at the field level remains essential, UNIDO will also work towards engaging with the political discussions being held particularly in New York. The Department responsible for MICs at UNIDO, the Department of Programmes, Partnerships and Field Integration (PTC/PPF), has already started its engagement with the ongoing MICs process being developed in New York. This process is being coordinated by the United Nations Department of Economic and Social Affairs and led by the Like-Minded Group of Countries Supporters of MICs. The engagement is expected to be consolidated in the upcoming months and should result in an improved positioning of the Organization to respond to the needs of the Group, as well as in terms of integrating UNIDO's mandate of ISID into the process.

(iii) *Exploring alternative mechanisms for financing ISID, including self-financing*: Traditional forms of financing ISID in MICs should be strategically oriented through a deep analysis and mapping of thematic and geographical priorities of potential donors, both traditional and emerging, and a careful selection of those related to UNIDO's mandate. There is a high potential to develop and scale up self-funding activities in MICs. Given their income status and development achievements, particularly from upper-MICs, some of their ISID priorities can be addressed predominantly by means of self-funding.

(b) *South-South cooperation (SSC)*: Southern solutions and technologies are usually more appropriate for upper and lower-MICs, as they come from similar southern environments and contexts, frequently have lower costs of development, can provide more cost-effective and affordable solutions, and present an additional option for countries of the emerging South, while not excluding the use of similar technologies from the North. UNIDO will (a) identify and assess the potential for SSC at regional level, following the analyses by the Regional Divisions; (b) follow a demand-driven, tailor-made identification of Southern Industrial Development Solutions, including existing expertise and best practices to be disseminated and replicated; and (c) build on existing experiences, such as the International Centre for Inclusive and Sustainable Industrial Development in New Delhi, India, and the UNIDO Centre for South-South and Industrial Cooperation in Beijing. Activities to be emphasized under SSC modalities will include: Industrial upgrading; women's economic empowerment and entrepreneurship; development of green technologies and sustainable energy solutions; resource efficient and cleaner production; youth entrepreneurship and job creation; agri-business development.

VII. Monitoring and evaluation

17. As focal point for cooperation with MICs, PTC/PPF will be responsible for following up on the achievement of results of the UNIDO approach to MICs. PTC/PPF will act as the coordinator of the activities of departments, divisions and field offices will be monitored, ensuring coherence and alignment with the overall UNIDO framework for cooperation.

18. Progress will be reported through the UNIDO Annual Report, the UNIDO integrated results and performance framework, and the UNIDO Open Data Platform.

19. Evaluation of the activities implemented within the context of the strategic framework for partnering with MICs will be conducted by the Independent Evaluation Division at UNIDO (ODG/EIO/IED).

VIII. Action required of the Board

20. The Board may wish to take note of the information contained in the present document.

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Activities of the Joint Inspection Unit

Activities of the Joint Inspection Unit

Report by the Director General

The present document provides information on the activities of the Joint Inspection Unit (JIU) in accordance with the follow-up scheme to recommendations in accordance with decision IDB.24/Dec.11.

Contents

		Paragraphs	Page
I.	Introduction	1	2
II.	Reports and notes submitted by the Joint Inspection Unit	2–4	2
III.	Implementation of Joint Inspection Unit recommendations at UNIDO	5–8	2
IV.	Work programme 2018	9–11	3
V.	Action required of the Board	12	3

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I. Introduction

1. The Joint Inspection Unit (JIU) became a subsidiary organ of the Industrial Development Board by its decision IDB.1/Dec.22. A system of follow-up to JIU recommendations was outlined in document IDB.24/18 and subsequently approved in decision IDB.24/Dec.11. In accordance with the provisions therein, JIU reports will be considered by each regular Board session.

II. Reports and notes submitted by the Joint Inspection Unit

2. A total of seven JIU reports[1] and three management letters were received[2] by the Organization in 2017 since the previous Board document covering this subject (IDB.45/14). Five reports and one management letter as listed below are of relevance to UNIDO:[3]

JIU/REP/2016/10:	Knowledge management in the United Nations system;
JIU/ML/2016/15:	Review of the acceptance and implementation of JIU recommendations by UNIDO;
JIU/REP/2017/1:	Review of management and administration in the United Nations Industrial Development Organization (UNIDO);
JIU/REP/2017/2:	Donor-led assessment of the United Nations system organizations;
JIU/REP/2017/3:	Review of air travel policies in the United Nations system: achieving efficiency gains and cost savings and enhancing harmonization;
JIU/REP/2017/5:	Outcome of the review of the follow-up to the JIU reports and recommendations by United Nations system organizations.

3. The present document is supplemented with a conference room paper (IDB.46/CRP.10) which includes hyperlinks to the respective JIU reports as well as hyperlinks to the relevant comments on said reports by the United Nations System Chief Executives Board for Coordination (CEB). It is recalled that recommendations and statistics applicable to UNIDO are available through the web-based tracking system (WBTS).[4] The WBTS also includes UNIDO's compliance and comments on recommendations. A summary of recommendations for consideration by the UNIDO Director General and UNIDO legislative bodies as well as UNIDO comments is included in IDB.46/CRP.10.

4. The reports contain a total of 29 recommendations relevant to UNIDO, of which 25 were accepted, while four were not accepted.

III. Implementation of Joint Inspection Unit recommendations at UNIDO

5. As mentioned in previous reports, Member States can be granted "read-only" access to the consolidated data on the status of implementation of recommendations on the JIU's WBTS. Interested Member States can register with the JIU through the Focal Point for JIU matters in UNIDO, the Internal Oversight Division.[5]

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[1] JIU reports and notes, as well as the JIU Annual Report to the General Assembly, in all official languages can be accessed via the JIU website www.unjiu.org.

[2] At the time this report was prepared.

[3] See Annex 1 for further details.

[4] Please refer to paragraph 5 for information regarding access to WBTS.

[5] Via email: IOS@unido.org.

6. UNIDO updates the WBTS with pertinent information on recommendations issued in the last three years. This includes information on the status of acceptance, the status of implementation and the impact of recommendations.

7. The status of acceptance and implementation for UNIDO for the period 2015–2017 is presented in the table below. It is shown in percentage of recommendations issued.

Table[6]

	Acceptance					*Implementation*			
	Not relevant	*Accepted/ approved*	*Rejected*	*Under consideration*	*No information provided*	*Not started*	*In progress*	*Implemented*	*No information provided*
UNIDO	2.6	75.32	11.69	10.39	0	1.72	18.97	63.79	15.52

8. It should be noted that with an acceptance of 75 per cent and above, UNIDO remained one of the organizations showing a consistently strong performance in this regard.

IV. Work programme 2018

9. As in previous years, the Unit invited participating organizations to submit their proposals. Further to these and to internal consultations, the programme of work for 2018 includes nine new projects. Seven of the new projects are of system-wide or multiple-organization coverage and two relate to management and administrative reviews of a participating organization.

10. The below seven new projects would be of interest to UNIDO:

(a) Managing cloud computing services in the United Nations system;

(b) Organizational change management in the United Nations system: lessons learned and strategies for the future;

(c) Review of oversight committees in the United Nations system;

(d) Strengthening the policy research uptake in service of the 2030 Agenda;

(e) Review of the integration/mainstreaming of disaster risk reduction in the work of the United Nations system entities;

(f) Review of the United Nations system-wide Action Plan on Gender Equality and the Empowerment of Women;

(g) Accessibility of United Nations conferences and meetings for persons with disabilities.

11. UNIDO continues to note with appreciation the close cooperation between JIU and the Secretariat of the CEB.

V. Action required of the Board

12. In compliance with the provisions of the Statute of JIU Article 11(4), resolution 48/221 of 23 December 1993 of the United Nations General Assembly, and paragraph 9 of the system of UNIDO follow-up to JIU recommendations, the Board may wish to take note of the information contained in the present document and provide guidance on this document and on any of the recommendations addressed to UNIDO in the corresponding JIU reports, as summarized in IDB.46/CRP.10.

[6] As per information contained in WBTS.

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Agenda item 10
Addressing recommendations of the JIU review of management and administration in UNIDO

Recommendations of the Joint Inspection Unit review of management and administration in UNIDO

Report by the Director General

In line with decision IDB.45/Dec.10, the present document provides the progress report of the Director General on the implementation of the recommendations by the Joint Inspection Unit, set out in its report JIU/REP/2017/1: Review of management and administration in the United Nations Industrial Development Organization (UNIDO) (IDB.45/14/Add.1).

I. Introduction

1. At its forty-fifth session, the Board considered the report of the Joint Inspection Unit (JIU) on the review of management and administration in UNIDO (IDB.45/14/Add.1) and comments of the Director General thereon (IDB.45/14/Add.2). Further to this, the Board requested the Director General to implement the recommendations addressed to him within existing resources, and to provide a progress report to the Industrial Development Board at its forty-sixth session (IDB.45/Dec.10).

2. The Director General is pleased to transmit herewith the progress made by the Secretariat on the implementation of the said recommendations.

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II. JIU recommendations and UNIDO's comments on progress achieved

	Recommendations	Responsibility	UNIDO response
1	The General Conference is invited to examine at its seventeenth session, in 2017, the strategies proposed by the Director General to support the achievement of the Sustainable Development Goals, with special emphasis on Goal 9, to ensure that the role of the Organization is well defined, and to provide necessary resources through the successive programmes and budgets for the implementation of those strategies.	Legislative body	**Under consideration** Following the adoption of GC.17/Res.1, UNIDO is progressing to operationalize its Integrated Results and Performance Framework (IRPF) to measure and track UNIDO's programme and operational effectiveness, in support of the implementation of the medium-term programme framework. UNIDO is also working towards a draft strategic framework as requested by Member States in GC.17/Res 6. A set of strategic policies and guidelines will be prepared and issued in due course, for their implementation as early as 2019.
2	The Director General should consider formalizing the internal senior management briefings with a view to strengthening the corporate-wide coordination and information-sharing functions in order to support the Executive Board in the management of the Organization.	Executive head	**Accepted — implemented** An Information Circular has been issued, formalizing the internal senior management meeting as a coordination and information-sharing mechanism (IC/2017/08).
3	The Industrial Development Board should ensure that sufficient regular budget resources are provided to fund core functions of the Organization so as to enable it to carry out all its mandates as a specialized agency of the United Nations in a consistent and sustainable manner, in line with the provisions of the Lima Declaration. In this context, the Board, in accordance with its decision IDB.44/Dec.8, may also invite UNIDO member States to increase their contributions to the special accounts created by the secretariat.	Legislative body	**Under consideration** Discussions are ongoing at the Informal Working Group on Programme and Budget Committee-related issues, reviewing options to improve the financial situation of UNIDO. In the meantime, UNIDO continues its dialogue with Member States on timely collections of the assessed contributions via regular reporting to the Committee and the Board, specifically through the Director General's reports on the financial situation of UNIDO. The Organization also regularly encourages Member States to provide voluntary contributions to the Special Account of Voluntary Contributions for Core Activities/Major Capital Investment Fund (and requests their renunciation of unencumbered balances).
4	The Director General should present to the Industrial Development Board at its forty-sixth session in 2018 a comprehensive report aimed at improving the financial situation of the Organization, integrating proposals on the main categories of its resources (regular budget, operational budget and voluntary contributions).	Executive head	**The Secretariat has taken note of this recommendation** The ongoing discussions at the Informal Working Group on Programme and Budget Committee-related issues are reviewing options to improve the financial situation of UNIDO. Depending on the outcome of these discussions, the programme and budgets document 2020–2021 could be the tool to present proposals to the Committee and the Board at their sessions in 2019.

	Recommendations	Responsibility	UNIDO response
5	The Director General should expand the risk management strategy presented at the forty-fourth session of the Industrial Development Board in 2016 to comprehensively address all major risks faced by the Organization with appropriate mitigation measures, and submit it to the Board for endorsement at its forty-sixth session in 2018.	Executive head	**Accepted — under implementation** A Risk Management Committee has been established to further develop the UNIDO Risk Management strategy and advise the Executive Board on measures to be taken. The UNIDO Risk Focal Point has initiated an initial risk mapping exercise within the Organization, identifying the main perceived risks and related mitigation strategies and actions. Following the completion of the risk mapping exercise, the collated results of the in-house risk mapping will be presented to the internal Risk Management Committee, and information on the exercise will be shared with Member States. The Risk Management Committee will analyze and assess the risks and create a corporate risk register from the data collected, rating the various risks, identifying possibly missing risks and recommending mitigation strategies and actions as and where necessary. The UNIDO Focal Point will also present the outcome of the initial risk mapping exercise in a briefing to Member States during the second half of 2018.
6	The Director General should finalize the revised Human Resources Management Framework and issue it as a Director General's bulletin by the end of 2017. Relevant policies and administrative instructions should be promulgated or updated accordingly.	Executive head	**Accepted — under implementation** The Executive Board has approved the human resources policies road map in principle, allowing the Department of Human Resources Management (HRM) to revise relevant policies. The process is currently ongoing.
7	The Director General should develop an action plan containing monitoring measures aimed at improving the geographical diversity of the UNIDO workforce and report regularly to the Industrial Development Board on its implementation, starting at its forty-sixth session in 2018.	Executive head	**Accepted — under implementation** The Executive Board has approved the human resources policies road map in principle to allow HRM to revise relevant policies. One of the policies, aims, inter alia, at improving the geographical diversity of the Organization. The process is currently ongoing.
8	The Director General should develop an action plan to improve the gender balance of the UNIDO workforce that would complement the Policy on Gender Equality and the Empowerment of Women, containing monitoring measures, and	Executive head	**Accepted — under implementation** In line with the UNIDO Policy on Gender Equality and the Empowerment of Women; UNIDO Gender Equality and Empowerment Strategy of 2016–2019; this recommendation; as well as the United Nations Secretary General's

	Recommendations	Responsibility	UNIDO response
	should report regularly to the Industrial Development Board on its implementation, starting at its forty-sixth session in 2018.		Gender Parity Strategy 2017, UNIDO has developed the Gender Parity Action Plan 2018–2023, to reach gender parity in staffing. The action plan draws on United Nations best practices, consultations with UNIDO management and staff to outline detailed tasks for gender-responsive outreach and recruitment, as well as measures to create an enabling environment. Details of the action plan will be presented in the Director General's Report on UNIDO gender equality and the empowerment of women to be submitted to the Industrial Development Board at its forty-sixth session (IDB.46/20).
9	The Director General should issue an updated information technology and information management policy, and set up an organization-wide working group to assist the Executive Board in overseeing the implementation of the policy and in providing strategic direction in this area.	Executive head	**Accepted — implemented** The policy on information and communication technology (ICT) has been updated and issued as a Director General's bulletin (DGB/2017/09). An ICT working group has been established to further strengthen and enhance the effectiveness of information technology and information management in the Organization.
10	The General Conference is invited to adopt a comprehensive vision of the UNIDO field presence as an integral part of the Organization's role in implementing the 2030 Agenda, including a set of criteria to assess its effectiveness.	Legislative body	**Under consideration** The IRPF is being operationalized by building the capacity of UNIDO staff, including in the field offices. Developing the appropriate policies, templates and tools to institutionalize the IRPF will be integrated into the operation and management of the Organization's activities both at Headquarters and in the field.

III. Action required of the Board

3. The Board may wish to take note of the information contained in the present document.

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UNIDO Independent Audit Advisory Committee

Report of the Audit Advisory Committee

Report by the Chair

This document is issued pursuant to decision IDB.44/Dec.4 on the establishment of an Independent Audit Advisory Committee (AAC) and in line with the terms of reference adopted with the same decision, in particular paragraphs 2 (f) and 24. The present report provides information on the AAC's activities, the Committee's advice and self-assessment. Any comments from the Director General and/or the management response will be provided in an addendum to this document.

I. AAC activities from inception to July 2018

1. The AAC held its first meeting at UNIDO Headquarters in January 2018. Ms. Yuko Keicho was elected chairperson. The primary purpose of the meeting was to allow the AAC members to understand their mission, learn about the current business focus of UNIDO, and to establish a strong and open working relationship. Based on these discussions, the AAC developed its draft work programme, which identified three priority areas:

(a) To accelerate the implementation of audit recommendations made by the External Auditor, internal auditor, and the Joint Inspection Unit;

(b) To increase the alignment of the internal audit work programme with UNIDO's business objectives, strategies, and risks;

(c) To strengthen the internal audit function in reference to the standards of the Institute of the Internal Auditors (IIA).

2. The draft work programme was shared with the Director General, and in March 2018 the AAC Chair and a member gave a briefing (facilitated and moderated by the President of the Industrial Development Board, H.E. Paulina Franceschi Navarro) to Member States about the AAC's first meeting and the work programme.

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3. The AAC had a tele-conference with the Internal Oversight Division (ODG/EIO/IOD) in May 2018, to follow up on initial discussions on the implementation of audit recommendations.

4. The AAC reviewed the External Auditor's 2017 report in May 2018 and submitted its comments to the Director General and the Acting President of the Board for circulation to Member States.

II. Implementation of AAC work programme

5. **Acceleration of implementation of audit recommendations:** The AAC emphasized the importance of strengthening management's ownership of action plans for issues identified by IOD. The AAC advised that:

(a) Rather than providing recommendations, which management may not fully agree with, IOD should agree appropriate management actions with management that address the core findings;

(b) Management action plans should be specific and time-bound. Action owners should be identified within management and held accountable;

(c) IOD audits should highlight risks to the Organization and indicate root causes of problems so that management can address the issues effectively and report thereon to the Director General and the Board;

(d) IOD should periodically report to the Director General and the Board on the implementation status of action plans with risk implications of overdue actions;

(e) The Risk Management Committee should oversee and coordinate action plan implementation across the Organization for internal and external audits, and Joint Inspection Unit reviews.

III. Comments on the 2017 Report of the External Auditor

6. The External Auditor's report (document IDB.46/3) provided important observations on UNIDO's business performance at a strategic level. In addition to closing the funding gap for UNIDO's core functions, the AAC considers that the following three urgent areas require management's immediate actions.

7. **Establishment of the risk management framework:** The External Auditor urged in Section D.2 of the report, that UNIDO needs to update the internal control framework and develop a Statement of Internal Control. The AAC strongly supports these recommendations. Implementing an effective internal control framework with defined processes is essential for UNIDO's capability to anticipate emerging risks in an increasingly dynamic business environment, and respond to them in a timely manner. Codifying risks of UNIDO and clarifying the assignment of roles and responsibilities for risk oversight and specific risk management are crucial. We look forward to hearing from the Risk Management Committee what concrete progress has been made on this when we meet with its Chair in November 2018.

8. A specific risk relates to the staffing gaps in internal audit and evaluation. The assurance mapping exercise that is currently underway by IOD will document insights on the strategic risks that are presently not covered, including those related to staffing.

9. As the External Auditor recommended, it is necessary to reflect the AAC's roles and scope in UNIDO's rules and regulations, as well as in the internal control framework, since the AAC constitutes an important element of risk governance of UNIDO.

10. **Capturing and analysing costs of doing business:** In Section D.1 of the report, the External Auditor recommended that UNIDO should strengthen time-recording by project managers and all others supporting these services. This is an important

element for capturing programme support costs, and is not onerous given simple and cheap software available for this purpose. UNIDO in general needs to establish a robust process to capture and analyse the cost of doing business across various functions. Doing so will not only increase transparency in the use of funds, but will also allow UNIDO to identify inefficiencies and benchmark itself against other relevant players in the market.

11. **Strengthening information and communications technology (ICT):** The AAC shares the External Auditor's concerns regarding ICT and supports its recommendations in section D.3 of the report. It is critical for UNIDO to have a well-established ICT strategy, if not an overarching UNIDO digital strategy. Merely focusing on day-to-day system operations, maintenance and support is not enough. Innovation to the business of UNIDO will be brought through strategic adoption of emerging and conventional technologies with a strong sense of urgency. The AAC endorses the External Auditor's recommendations to better integrate ICT considerations into overall business strategy discussions, strengthen the ICT governance, cybersecurity management, IT risk management, establish the key missing ICT roles, and developing a well-aligned IT capital investment road map.

12. The AAC considers it critically important that the Board own the External Auditor's reports, prioritize issues, and request the Director General to implement actions by providing necessary resources. Therefore, we believe that the External Auditor's reports should be thoroughly discussed at the Programme and Budget Committee and the Board sessions. To facilitate this, the AAC requests that its comments on the External Auditor's reports be duly considered by the Programme and Budget Committee as an input going forward. It is important for the Board to receive periodic reports from management on the implementation of the recommendations. For those recommendations which management did not agree with, or did not provide specific action plans, the Board should request management to indicate how the associated risks have been, or will be, mitigated.

IV. Budget and resource usage

13. The AAC budget approved for the current biennium, i.e. from January 2018 to December 2019, is €88,000; expenses to date are €25,700 for one physical meeting. The only expense item relates to the annual meetings at Headquarters.

14. The AAC considers that the current level of budget is insufficient for the reasonable achievement of its objectives included in the AAC's terms of reference. The current budget allows the members to meet only three times per biennium. Our experience to date has shown that virtual meetings are sub-optimal. In the rapidly evolving business environment, we believe that the AAC needs to meet twice a year in Vienna and have continuous engagement with management.

V. Action required of the Board

15. The Board may wish to take note of the information provided in the present report and provide guidance on (a) the Board's follow up on the External Auditor's recommendations, (b) future use of the AAC's comments on the External Auditor's reports by the Programme and Budget Committee, and (c) the adequacy of the AAC budget.

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UNIDO Independent Audit Advisory Committee

Report of the Audit Advisory Committee

Management response

The present document contains the management response to the report of the Audit Advisory Committee (AAC) in document IDB.46/16, in line with decision IDB.44/Dec.4, and paragraph 24 of the terms of reference attached to the same decision.

1. Management took note of the advice provided by the AAC in its first report to the Board (IDB.46/16) and appreciates the value added through its review and advice. Management looks forward to further cooperating with the AAC. The below responds to the recommendations made by the AAC in its report.

I. Implementation of AAC work programme

2. **Acceleration of implementation of audit recommendations:** On 7 June 2018, the Executive Board discussed the implementation of outstanding recommendations and expressed its support to an efficient and effective follow-up scheme to resolve outstanding and future internal audit recommendations. Information on the implementation status of management action plans will be reported to the Board at its forty-seventh session.

3. **Action plan implementation across the Organization for internal and external audits, and Joint Inspection Unit (JIU) reviews:** Management supports that the Risk Management Committee (RMC) propose an action plan to the Executive Board for the establishment of the risk management framework, and to oversee and coordinate the implementation of recommendations for internal and external audits and JIU reviews. The Director General will report on the RMC activities to the Board at its forty-seventh session.

4. **Alignment of the internal oversight work programme with UNIDO's business objectives, strategies, and risks:** In its work programme presented to Member States in March 2018, the AAC advised internal audit to increase alignment of its work programme starting in the third and fourth quarter. Management supports

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the Office of Evaluation and Internal Oversight in the risk-based audit programme that will build on the risk mapping exercise and the risk register currently being established by the Organization (document IDB.46/7). The ongoing assurance mapping exercise led by the Internal Oversight Division (IOD) will help to ascertain whether risks are adequately covered by the third line of defence, which comprises the External Auditor, internal audit, evaluation, and the JIU.

5. As regards the **strengthening of the internal audit function in reference to the standards of the Institute of the Internal Auditors (IIA)**, management agrees with the AAC advice that IOD can play a bigger role as a trusted adviser, and supports the actions of the Office of Evaluation and Internal Oversight for a regular update of IOD's quality assurance and improvement plan. A self-assessment with external validation will take place during the fourth quarter of 2018 and the first quarter of 2019. This exercise will be in compliance with IIA standards and identify opportunities to adopt leading practices.

II. Comments on the 2017 Report of the External Auditor

6. Management took note of the AAC's support of the recommendations included in the External Auditor's report (IDB.46/3), in particular as regards the establishment of the risk management framework, capturing and analysing the costs of doing business, and strengthening information and communications technology. The recommendations were accepted by management, and detailed comments on how these issues will be addressed were contained in the responses provided by management, inter alia in the External Auditor's report. Management is committed to implementing the recommendations outlined by the External Auditor, to the extent the available resources permit, for effective and efficient delivery of its services to stakeholders.

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Internal oversight activities

Internal oversight activities

Report by the Director of the Office of Evaluation and Internal Oversight

The present document provides information on the activities of the internal oversight function in accordance with decision IDB.44/Dec.3.

I. Overview

1. Through the Director General's Bulletin DGB/2018/02 of 25 January 2018, the Office of Evaluation and Internal Oversight (ODG/EIO) was created by merging the Independent Evaluation Division (ODG/EVQ/IEV) with the Office of Internal Oversight and Ethics (ODG/IOE). In the same Bulletin, the ethics-related function was moved to the Office of the Managing Director, Directorate of Corporate Management. The Director of ODG/EIO oversees the work of two collocated divisions: the Independent Evaluation Division (ODG/EIO/IED) and the Internal Oversight Division (ODG/EIO/IOD; short: IOD), which by virtue of their responsibilities shall remain independent of each other. Through improved coordination and communication between the two divisions, inter alia on their workplans, synergies will be created and the independence of the assurance function be strengthened.

2. IOD is established in accordance with Financial Regulation 9.1 and Financial Rule 109.1.15 and is governed by the Internal Oversight Charter, Investigations Guidelines and the Code of Ethical Conduct. The mandate of the internal oversight function covers all systems, processes, operations, functions, and activities of UNIDO. In addition to its primary functions of internal audit and investigation, IOD is also the focal point for coordination on activities of the Joint Inspection Unit, and serves as the Secretariat to the Audit Advisory Committee (AAC).

3. In performing its functions, IOD follows the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA) for internal audit, and the Uniform Principles and Guidelines for Investigations.

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4. IOD's budgeted posts currently comprise four Professional and two General Service staff, with one Director post, supervising two divisions (as mentioned above), and one P-2 auditor to be recruited. In 2017, internal oversight began with four staff: a Director, an Investigator and two support staff (a Senior Oversight Assistant and an Oversight Assistant). Professional posts, namely the two auditor posts, were vacant during the first half of 2017, resulting in capacity limitations for internal audit.

Table 1
Overview of staffing

	2015	*2016*	*2017*	*2018*
	Number of posts	*Number of posts*	*Number of posts*	*Number of posts*
Director – D-1	1 (IOE)	1 (IOE)	1(IOE)	1 (EIO)[a]
Chief – P-5[b]				1
Auditor – P-4	1	1	1 - vacant[c]	(post currently filled at P-3 level)
Auditor – P-3	1 - vacant	1 - vacant	2[d]	2[d]
Auditor – P-2				vacant[e]
Investigator – P-3	1	1 - vacant	1	1
Support staff – GS	2	2	2	2
Total number of posts budgeted	6	6	7	8
Total number of posts occupied	5	4	6	7

[a] As of 1 February, the Director position covers not only one division, but two: the Independent Evaluation Division (ODG/EIO/EID) and the Internal Oversight Division (ODG/EIO/IOD).
[b] New position from February 2018, created with the new structure.
[c] Vacant from 31 January 2017.
[d] One post was filled on 27 June and the other on 1 August 2017.
[e] P-2 auditor to be recruited.

5. IOD's annual workplan is developed based on a continuous risk assessment of UNIDO's operations. IOD forms its view on the Organization's risks using both top-down and bottom-up approaches. The top-down approach includes observations from the sessions of the policymaking organs and the review of their key decisions, as well as from meetings of senior management, to understand the Organization's priorities and its view on risks. The bottom-up approach includes IOD's ongoing discussions with the heads of key business units, and in future, the Chair of the Risk Management Committee (RMC). IOD also takes into account views on institutional opportunities and risks of other assurance providers including the External Auditor and the Independent Evaluation Division.

6. The latest risk assessment was undertaken in 2017 to develop the workplan for the biennium 2018–2019. The risk assessments are updated annually.

7. During 2017, IOD issued five audit reports: two financial statement audits, two country office audits, and one Headquarters audit. In addition, five investigation reports were issued.

8. Table 2 below shows an overview of reports issued in the last five years.

Table 2
Overview of reports by year of issue

	2013	2014	2015	2016	2017
	Total reports issued				
Internal Audit	5	5	5	4	5
Investigative (incl. systemic issues)	1	8	5	3	5
Other (e.g. JIU, IOD)	1	1	1	1	2
Total	7	14	11	8	12

9. IOD continued to advise and support management on requests received on a wide range of issues. These include, inter alia, policy development, donor agreements, single audit principle, enterprise risk management (ERM), implementing partners, and European Commission verifications.

10. IOD confirms that during 2017, in performing its internal audit and investigation activities, it functioned independently and objectively without any interference and/or influence from any internal or external parties.

II. Overview of internal audit work in 2017[1]

11. The audit of the **Egypt Regional Office** was completed and the report issued to management on 27 January 2017. This was the first audit of the regional office since the new field policy action plan presented to the Programme and Budget Committee in June 2016, where the office was designated as a regional hub. Some significant findings included: the establishment of regular communication channels with the field for a more effective Headquarters/field relationship; the improvement of relationship management between the field and the regional programmes; and a better coordination and reporting of UNIDO activities to the United Nations Development Group Arab Region.

12. The audit report on the **Regional Division Africa** was issued to management on 28 July 2017. It covers 45 sub-Saharan countries, plus South Sudan, with ambitious mandates for the industrialization of Africa. Implementation of these mandates with diminishing financial resources is a major challenge. Some very important recommendations included: the establishment of a funding strategy for the Third Industrial Development Decade of Africa (IDDA III) and an appropriate funding mechanism to mobilize and receive voluntary contributions; annual reporting comparing achievements against the annual workplan, as well as summary reports to the Director General; assigning responsibilities relating to IDDA III to the UNIDO Representatives/Country Representatives; the establishment of procedures to strengthen internal communication and coordination on technical cooperation programmes being implemented in the region; and the development of an internal mechanism to manage requests/demands from countries and to service these requests effectively and in a coordinated manner.

13. Two financial audits on the 2016 financial statements of the Catering Services and on the Major Replacement and Repair Fund were completed and reports issued in June and August 2017 respectively.

14. The audit of the **Ethiopia Regional Office and Partnerships** was completed and the report issued to management on 22 December 2017.[2] Critical findings included: an ERM policy to be fully and effectively implemented and, as regards procurement, access levels granted to staff to be in line with responsibilities.

[1] Internal audit work in 2018 will be covered in the report to the forty-seventh session of the Board.
[2] Available on Permanent Missions' Extranet.

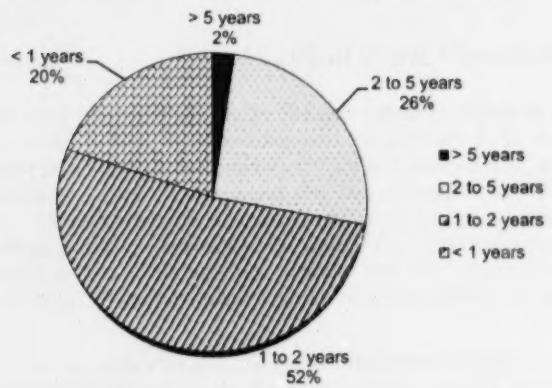
15. The fieldwork of the **China Regional Office** audit was completed and the draft report issued to auditees in December 2017. After consolidating the comments from the auditees, the final report was issued in March 2018.[3] Critical findings concerned the ERM process requiring significant improvements as well as the effectiveness of delegations of procurement authority managed by Headquarters.

III. Implementation status of recommendations

16. IOD reviewed the implementation of all recommendations outstanding as at 8 January 2018. As indicated in Table 2 above, 10 audit and investigative reports were issued in 2017 (excluding the JIU and IOD report to the Industrial Development Board) resulting in 57 new recommendations.

17. During 2017, 46 recommendations from previous years were closed. The cumulative implementation rate of open audit recommendations issued since 2006 was 73 per cent as at 31 December 2017 (60 per cent in 2016). Of the 168 (180 recommendations in 2016) pending implementation, 47 recommendations, or 28 per cent, belong to 2014 and before.

Ageing of pending/pending-started recommendations



IV. Cooperation with other oversight bodies

18. Consultations were continued with the External Auditor to align audit workplans and planned field visits; to expand the coverage of assurance activities in field offices; for efficient use of limited resources; and to avoid duplication of work.

19. Active participation was continued in the United Nations system's internal audit and investigative communities in support of United Nations-wide coherence and harmonization efforts.

20. Work as JIU focal point for UNIDO[4] continued.

V. Strengthening governance and operations of the internal oversight function

21. In fulfilling a long-outstanding recommendation made by the External Auditor and the JIU, the AAC was established, thereby strengthening the independence and operations of the internal oversight function, as well as compliance with international

[3] Available on Permanent Missions' Extranet.
[4] A separate report on the activities of the JIU is available as IDB.46/14.

standards and best practices. The activities of the AAC, including its collaboration with ODG/EIO and IOD, as well as the advice it provided, are covered in the AAC report to the Board (IDB.46/16). IOD also continued reporting to the Director General through quarterly summary reports.

VI. Outlook

22. IOD will continue its best efforts to fulfil its mandate and continuously improve its ability to provide internal audit, investigative and advisory services that enhance UNIDO's governance, oversight, management decision-making, and accountability. To address emerging risks during 2018, its workplan will remain flexible and adaptable to the extent possible.

23. Although IOD directs its effort on internal audit through the use of a risk-based audit planning methodology, given its resources, the office cannot fully cover all identified high-risk and critical areas. However, due to the importance of internal audit activities, IOD plans to build on past experience in conducting field office audits and improve the internal audit approach when planning for 2019 and conducting audits in 2018.

24. The Organization-wide risk assessment process is in its inception phase. IOD is in close contact with the RMC Chair and will enhance this collaboration in the next months and 2019.

25. IOD closely collaborates with the substantive programmes/departments to add value to the operations through the findings of internal audit activities. To support this approach, as of 2018, audits include agreed management action plans, instead of previous recommendations.

26. In 2018, IOD is working on a more effective and efficient follow-up scheme to outstanding recommendations, supported by the Executive Board and the AAC.

27. As part of the recommendation follow-up process, IOD reviewed all pending recommendations and identified those that need to be closed. IOD is meeting with focal points to confirm its initial assessment of these recommendations and verify any available evidence regarding the implementation of the remaining recommendations. A revised status of recommendations will be presented to the AAC in October 2018.

28. In May 2018, the AAC held discussion with IOD on ways to further strengthen collaboration with the External Auditor. It was agreed that IOD conducts an assurance mapping exercise to further improve its collaboration with all assurance provides. A preliminary draft will be shared with the AAC in October 2018.

29. IOD will continue to address allegations of wrongdoing made to the office and priority will be given to dealing with high-risk situations.

30. Budgetary and human resources for the internal oversight function continue to not be commensurate with UNIDO's varied and increased operations, as well as its geographic span, and with the expanded mandate as Secretariat to the AAC.

31. As ever, the impact of internal oversight, as an effective independent and objective function assisting the Organization in achieving its goals and objectives, depends ultimately on the continuous support received from UNIDO's senior management and its Member States.

VII. Action required of the Board

32. The Board may wish to take note of the information contained in the present document.

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Evaluation activities

Evaluation activities

Note by the Director of the Office of Evaluation and Internal Oversight

In compliance with Board decision IDB.29/Dec.7 (h), the Secretariat reports on evaluation activities on a biennial basis. This report complements the information provided in the Annual Reports 2016 and 2017.

Contents

		Paragraphs	Page
I.	Background	1	2
II.	The evaluation function	2–6	2
III.	Activities and contributions of independent evaluations	7–10	2
IV.	Synthesis of evaluation findings	11–37	3
V.	Action required of the Board	38	6

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I. Background

1. In decision IDB.29/Dec.7, the Board, inter alia, affirmed the importance of Member States receiving objective and credible feedback on the performance of UNIDO country-level programmes based on the findings and lessons learned from independent evaluations. This report is submitted in accordance with paragraph (h) of that decision, which requested the Secretariat to report on evaluation activities on a biennial basis. This report informs on the performance of UNIDO interventions, consolidates evaluation findings and lessons, and draws attention to systematic issues to further enhance UNIDO's development effectiveness. All UNIDO independent evaluation reports are available on the UNIDO website (https://www.unido.org/resources/evaluation).

II. The UNIDO evaluation function

2. During the time covered by this report (2016–2017), and as promulgated in the Director General's Bulletin UNIDO/DGB/2016/01 (27 January 2016) and superseded by the Director General's Bulletin UNIDO/DGB/2016/01/Amend.1 (17 February 2016), the UNIDO independent evaluation function was implemented by the Independent Evaluation Division (ODG/EVQ/IEV), within the Office of the Director General.

3. Following the establishment of a new organizational structure that was promulgated in the Director General's Bulletin dated 31 January 2018 (UNIDO/DGB/2018/02), the Independent Evaluation Division (ODG/EIO/IED) has been co-located under the Office of Evaluation and Internal Oversight (ODG/EIO), within the Office of the Director General. ODG/EIO/IED derived its roles and responsibilities from the UNIDO Evaluation Policy (UNIDO/DGB/2018/08). According to this policy, evaluation serves three purposes: it ensures accountability, supports management and drives learning and innovation.

4. The UNIDO Executive Board considered the work programme and provisional budget of ODG/EIO/IED and approved the budget in the amount of €660,000 for the implementation of the work programme 2016–2017. The budget allocations were used to conduct country, strategic and thematic evaluations and to implement other evaluation activities, including national evaluation capacity-building.

5. In addition, ODG/EIO/IED continued to manage and provide quality assurance for independent project and programme evaluations that were financed from the respective project budgets.

6. To address and overcome a number of challenges faced by ODG/EIO/IED over the past years, the establishment of an Evaluation Trust Fund was proposed to UNIDO senior management and Member States who welcomed this initiative, inter alia to overcome the limited financial resources for strategic and aggregated evaluation products, such as synthesis, country-level and thematic evaluations. The external auditor has also been supporting this initiative.

III. Activities and contributions of independent evaluations

Evaluations

7. During 2016–2017 four thematic evaluations were finalized, namely: UNIDO ozone depleting substances projects under the Montreal Protocol with emphasis on countries in the European and the Latin American and Caribbean regions; UNIDO's partnerships with donors; the mid-term evaluation of UNIDO's Programme for Country Partnership (PCP); and UNIDO's Staff Competency Development. One impact evaluation of UNIDO's industrial energy efficiency-related programmes was launched in October 2017.

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8. Two country-level evaluations were conducted, namely in countries of the Latin American and the Caribbean region (Dominican Republic, Guatemala and Nicaragua), and in the United Republic of Tanzania. One country evaluation (Nigeria) was still ongoing by the end of 2017. In addition, ODG/EIO/IED continued to manage and provided quality assurance for a large number of independently conducted project evaluations.

Learning and evaluation capacity-building

9. Through a management response system, acceptance and implementation of evaluation recommendations continued to be monitored. During the reporting period 2016–2017, a total of 397 recommendations were issued. The acceptance rate (fully/partially accepted) of recommendations remained high, with an average of 96 per cent. Regarding the implementation status for recommendations issued in 2016, and for which the one-year follow-up cycle was completed by 2017, 54 per cent of the recommendations for which information was provided had been implemented, 38 per cent were still under implementation and 8 per cent had not been implemented at the time of reporting. Information on the level of implementation for recommendations issued in 2017 will be provided in a future report to the Board.

10. Briefings to Member States were held on a regular basis and covered mainly the findings of thematic and country evaluations. To respond to the demand from counterpart ministries to support and strengthen their evaluation capacities, a workshop on evaluation and evaluation management was held in Mexico (2017). The workshop was a regional training for UNIDO counterpart ministries in Central America and in the Caribbean region.

IV. Synthesis of evaluation findings

General findings

11. From 33 evaluation reports issued in 2016 and 2017, it can be concluded that the **relevance** of UNIDO projects and programmes was high. Their objectives were based on needs/challenges of target institutions/enterprises and were in general well aligned to government policies, strategies and priorities. The objectives addressed key challenges to inclusive and sustainable industrial development (ISID).

12. **Ownership** by counterparts and their participation of were seen as positive contributions to relevance, efficiency, effectiveness, and sustainability of interventions. In a few cases however, communication with stakeholders, documentation, discussion and exchange of experience were found to be weak. For example, this was found to be the case regarding on-grid and off-grid renewable energy installations and their contribution to rural development. The limited discussion and exchange resulted in limited dissemination of results and reduced prospects of sustainability.

13. Excellent to good **performance** and output level results were reported in a majority of evaluation reports. In several cases, however, it was too early to assess outcome or impact level results. Challenges when making evidence-based statements on impact often related to weak log frames, lacking measurable indicators for project performance and clearly defined quantitative targets, and to a lack of detailed monitoring data to assess outcome and impact.

14. **Alignment** with countries' plans to achieve Goal 9 and support of related SDGs relevant to UNIDO's ISID mandate in a quantifiable and measurable manner was not evident in all cases.

15. In terms of **efficiency**, UNIDO's role and contribution, as well as the financial and in-kind contributions of the counterparts, were appreciated. In some instances, difficulties were reported in staffing project field teams and in enhancing their coherence by training and mentoring new recruits. The need to strengthen cooperation with funding agencies was also reported in some cases.

16. The **likelihood** of financial, technical and organizational **sustainability** varied from good to problematic, depending on the quality of programme/project design and the establishment of an inter-ministerial follow-up group or committee, or a similar mechanism, to monitor and advise.

Key findings from country evaluations conducted during 2016–2017

Relevance

17. UNIDO activities in the countries evaluated were in general well aligned with national industrial development priorities as well as with the United Nations Development Assistance Frameworks and United Nations Development Assistance Plans. However, alignment of projects with national priorities did not happen in all cases or to the desired extent in the context of a strategic dialogue with the countries. Since UNIDO implements projects funded by donors and does not possess any significant resources of its own to fund projects, projects align primarily with donors' mandates. UNIDO's support was generally acknowledged and appreciated by counterparts, but sometimes political recognition was uneven and UNIDO's profile was not evident.

Effectiveness

18. There were limited synergies between UNIDO projects in evaluated countries. Reasons were the conception of the projects as individual unrelated interventions, funding uncertainties or structural issues. This led to rather isolated interventions, which were fragmented geographically, thematically and institutionally, lending themselves to limited synergies.

19. In the United Republic of Tanzania, the most notable successful intervention was the strengthening of the analytical technical capacity of the National Bureau of Statistics and of the staff of the Ministry of Industry, Trade and Investment. This intervention had an influence on the five-year development plan 2016/17–2020/21, "Nurturing Industrialization for Economic Transformation and Human Development".

20. Results in environment and energy projects funded by the Global Environment Facility were clearly identified at the design stage and had been achieved or were likely to be achieved. The most relevant example, the "mini-grids" project in the United Republic of Tanzania, should reach a large number of beneficiaries once all small hydropower mills are operating. The project also took a corporate social responsibility approach, integrating into its business model actions that further social good and make a positive impact on the environment and stakeholders, including employees, investors and communities.

21. The achievement of results of the biomass-based electricity generation project (ID 100288) in the Dominican Republic was found to be threatened, unless the risks associated with the identification of a suitable new beneficiary or beneficiaries and financing schemes are promptly managed.

22. Results from projects related to renewable energies and cleaner production were diverse. The results in Guatemala and Nicaragua of projects related to cleaner production appeared satisfactory, with the centres operating actively. However, little evidence of results was available regarding some projects, such as the observatory of renewable energies (ID 1001433).

23. In all countries, the projects funded by the Multilateral Fund for the Application of the Montreal Protocol, as well as those related to the application of the Stockholm and Minamata Conventions had achieved their objectives or were likely to achieve them.

24. The support to the development of national quality infrastructure was in general effective, such as the development of national metrology laboratories in Guatemala

and Nicaragua. However, their contribution to increasing exports could not be ascertained.

25. In Guatemala, Nicaragua and the United Republic of Tanzania, several UNIDO projects aimed to contribute to poverty reduction and the creation of shared prosperity. The cacao sector in Nicaragua was supported consistently by some of the projects, such as those to strengthen management of natural resources in Bosawas (ID 102026) and to promote areas affected by hurricane [illegible] (NIC/09/003). These initiatives were precursors of the PROCACAO programme (ID 120021). This project was ongoing at the time of the evaluation and was considered highly likely to achieve its intended results. The ongoing regional programme to improve productivity of shrimps (ID 140337) was also deemed well oriented towards achieving its intended results in Nicaragua and the Dominican Republic.

26. Long-term benefits of UNIDO projects were found at the macro, meso and micro levels. There were also examples of potential multiplier effects. At the micro level, the outreach to end-beneficiaries was generally rather small.

Gender and youth

27. Many references to gender and youth were found in most projects. However, gender and youth were not fully mainstreamed. Youth, with a few exceptions, received less attention than the gender dimension. Despite this fact, evidence was obtained of projects having benefitted men and women equally and significantly, and to a lesser extent also the young population.

Project implementation

28. Overall, governments were highly satisfied with the collaboration with UNIDO. UNIDO was seen as a trusted, long-term partner. The technical expertise provided by UNIDO was greatly valued.

29. Monitoring and evaluation of projects during implementation is an aspect to improve in many cases. Most importantly, documentation of results was systematically scarce.

30. The implementation modality of the PROCACAO project in Nicaragua was regarded as a significant strength of UNIDO in this project, with UNIDO's "Technical Accompaniment Unit" working in close collaboration with central and regional government institutions and promoting and reinforcing links with communities.

Key findings from thematic evaluations

UNIDO's partnerships with donors

31. The evaluation demonstrated positive partnerships performance overall. UNIDO is favourably perceived as a relevant and good value-for-money partner who can deliver results on the ground for its key funding partners.

32. The evaluation highlighted some key areas for improvement. Firstly, there were concerns regarding the extent to which UNIDO contributed to long-term sustainable results in relation to corporate results towards ISID objectives and the global targets for Goal 9. Secondly, strategic relationships were felt to be facing challenges as funding partners shift priorities.

33. UNIDO requires a comprehensive partnership strategy and system to guide how funding partnerships are approached and managed at an Organization-wide level. Much of resource mobilization is left to project managers. While current efforts are appreciated by funding partners, it is insufficient to address more strategic partnership requirements. As a result, UNIDO was not fully seizing the available opportunities for improved long-term funding partnerships.

34. Overall, UNIDO's PCP was found to be fully in line and consistent with the UNIDO ISID mandate as well as on the right track "to extend the impact of UNIDO's technical cooperation and accelerate ISID in Member States", which is the objective of the PCP.

35. The evaluation concluded that flagship projects make the PCP distinctively different from the standard UNIDO country programmes, especially in terms of scale. Flagship projects require significant investments from public and private partners and resource mobilization is a lengthy process. In some cases, UNIDO was perceived as being capable of and responsible for mobilizing resources for governments. However, UNIDO can only have a supporting role and the primary responsibility for resources mobilization lies with governments. A major shift with regard to the mobilization of large-scale public and private investment has yet to take place.

36. Furthermore, the objectives and expectations of the pilot PCPs currently under implementation in Ethiopia, Peru and Senegal were considered quite ambitious and there was a risk that these would not be met. Thus, UNIDO has to be ready to provide complementary assistance and accompany the implementation of large flagship projects.

37. Securing financial resources to kick-start the PCP requires attention. The underfunded Partnership Trust Fund is a serious constraint to accelerate the PCP implementation in some of the pilot countries.

V. Action required of the Board

38. The Board may wish to consider adopting the following draft decision:

"The Industrial Development Board:

(a) Takes note of the report on the evaluation activities (IDB.46/18);

(b) Reiterates its support to the evaluation function for accountability, learning and contribution to development effectiveness;

(c) Encourages evaluations on results at outcome and impact levels, and the incorporation of information on performance and lessons into management and strategic planning processes."

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Personnel matters

Personnel matters

Report by the Director General

In line with staff regulations 13.3 and 13.4, the present document provides information on personnel-related matters in the Secretariat, common system developments and amendments made to the staff rules and regulations. The report complements the information provided in the *Annual Report of UNIDO 2017* (IDB.45/2, chapter x and appendices (i) and (j)). For cost saving purposes, annexes to the present report are included in a conference room paper (IDB.46/CRP.6), which is issued at the same time as the present document.

Contents

		Paragraphs	Page
I.	Developments on personnel-related matters	1–4	2
II.	Common system developments affecting UNIDO staff regulations and rules	5–11	2
III.	Matters related to staff rules	12–18	3
IV.	Actions required by the Board	19	4

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I. Developments on personnel-related matters

Recruitment

1. In line with the decision taken by the Director General, 44 posts in the Buildings Management Services Division (CMO/OSS/BMS) were approved for external recruitment, to hire staff members under the 100 series. As of September 2018, 20 of these posts have been staffed, with another 7 posts to be finalized by the end of the current year. Another 10 professional positions are under recruitment, 8 of these in the Directorate of Programme Development and Technical Cooperation. Since the beginning of 2018, 49 positions have been advertised, 14 internally and 35 externally.

2. Since 10 May 2017 (IDB.45/17), the Director General approved 23 senior appointments and reassignments. Since the inception of the Partner Expert Programme in January 2017, a total of 12 Partner Experts from 2 countries, 10 from China and two from Turkey, have been working at UNIDO. All of these have been placed in UNIDO Headquarters, none in the field so far.

Development of the UNIDO Gender Parity Action Plan

3. To reach gender parity in staffing, and in line with the United Nations Secretary-General's Gender Parity Strategy 2017 and recommendation 8 of the report of the Joint Inspection Unit (JIU/REP/2017/1) entitled "Review of management and Administration of UNIDO, UNIDO has developed the Gender Parity Action Plan (2018–2023). Details of the action plan are presented in document IDB.46/20.

4. The Action Plan draws on best practices in the United Nations and on consultations with UNIDO management and staff. It outlines two target areas, namely (i) the removal of obstacles to the recruitment, retention, promotion, and mobility of women members of staff; and (ii) the creation of an enabling working environment, including by improving the productivity and well-being of all UNIDO employees by promoting diversity, career development, flexible working arrangements, and family-friendly policies.

II. Common system developments affecting UNIDO staff regulations and rules

Conditions of service applicable to the Professional and higher category

Salary Scale for professional and higher categories (schedule I to the staff regulations)

5. The concept of the base/floor salary scale was introduced by the General Assembly in resolution 44/198 of 21 December 1989, section I.H. The scale is set by reference to the salary scale of the federal civil service of the United States of America in Washington, D.C. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials with the corresponding salaries of their counterparts in the United States federal civil service, excluding any locality pay. The adjustments are implemented by means of the standard method of consolidating post adjustment points into the base/floor salary, that is by increasing base salary while commensurately reducing post adjustment.

6. By its resolution 72/255 of 24 December 2017, the General Assembly approved, with effect from 1 January 2018, the unified salary scale for staff in the Professional and higher categories that reflect a 0.97 per cent increase (Annex I).

7. The revised salary scale was implemented on a "no-loss/no-gain" basis. This means that it was accompanied by a corresponding reduction in the post adjustment multipliers for all duty stations. The cost of implementing the General Assembly's resolution is negligible and is covered in the provisions made for that purpose in the UNIDO Programme and Budgets 2018–2019 (IDB.45/5).

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Evolution of the net remuneration margin

8. Under a standing mandate from the General Assembly, the International Civil Service Commission (ICSC) reviews the relationship between the net remuneration of United Nations officials in the Professional and higher categories in New York and that of the United States federal civil service officials in comparable positions in Washington, D.C. For that purpose, the Commission annually tracks changes occurring in the remuneration levels of both civil services and, when the margin happens to be outside of the established range (113–117), initiates the necessary action to bring it to around the desirable midpoint of 115. The Commission noted that the estimated net remuneration margin for 2017 amounted to 113.7.

Post adjustment matters

9. The General Assembly noted the efforts by the Commission to improve the post adjustment system and requested the Commission to continue its effort to improve this system to minimize any gaps between pay indices and post adjustment indices, and to consider the feasibility of more frequent reviews of post adjustment classifications of duty stations. In addition, the Assembly requested the Commission to review the measure to close the gap in the post adjustment at its next round of cost-of-living surveys.

10. Noting with serious concern that some organizations had decided not to implement the decisions of the Commission regarding the results of the cost-of-living surveys for 2016, the General Assembly also requested the Commission to report no later than at the 74th Session of the Assembly, in the autumn of 2019, on the implementation of the Commission's decisions regarding the result of the cost-of-living surveys for 2016, including any financial implications.

Common System-wide Health Insurance Working Group

11. In its resolution 68/244, the General Assembly requested the Secretary-General to undertake a survey of current health-care plans for active and retired staff within the United Nations system, explore all options to increase efficiency and contain costs. A working group of agencies of the United Nations system was formed and analysed 23 health insurance plans across the system, which cover 401,166 persons, both active and retired staff. The Working Group developed a set of recommendations. The recommendations will be submitted by the Secretary-General to the General Assembly for consideration.

III. Matters related to staff rules

Salary scale for staff in the General Service Category (Appendix A to the staff rules)

12. In accordance with the Flemming principle, General Service (GS) staff shall have pay and other conditions of employment that match the best on offer at the duty station. The principle was first stated in 1949 and is implemented through the ICSC local salary surveys, conducted periodically at all duty stations. Between the salary surveys, the GS salary scale is subject to interim adjustments, calculated on the basis of movements of an appropriate wage or price index or a combination of indices.

13. The latest survey in Vienna was carried out in April 2017, approved by the ICSC in July 2017. The resulting increase of 3.3 per cent was reflected in the salary scale and implemented in two stages. First, the 2016 interim adjustment of 1.4 per cent, which had been withheld pending the outcome of the ICSC survey, was paid retroactively with effect from 1 November 2016 (Annex II). Second, the remaining increase was paid retroactively with effect from 1 April 2017 (Annex III), i.e. the reference month of the survey.

14. The overall increased costs under salaries and related common staff costs for the General Service category at headquarters could be absorbed under the existing budgetary provisions. As a result of the 2017 salary survey, the dependency and language allowances for GS staff were also revised (Annex III).

Interim adjustment to GS salary scale 2018

15. As the above-mentioned survey was conducted in April 2017, the next interim adjustment to GS salaries was reviewed and implemented in April 2018. In accordance with staff regulation 6.5 (a) and staff rule 106.01 (b), and in line with the established procedure for interim adjustments, the salary scales for GS staff serving in Vienna have been adjusted by 1.9 per cent effective 1 April 2018.

16. This adjustment takes into account changes in the consumer price and relevant wage indices over a period of twelve months. The new salary scales will apply to all staff in the GS category serving in Vienna (Annex IV).

Scale of pensionable remuneration for the Professional and higher categories

17. Appendix C to the staff rules. In accordance with article 51 (b) of the Regulations of the United Nations Joint Staff Pension Fund, the scale of pensionable remuneration should be adjusted on the same date as the net remuneration amounts (base salary plus post adjustment) of officials in the Professional and higher categories in New York are adjusted.

18. With effect from **1 February 2018**, the post adjustment multiplier for New York was revised from 66.1 to 66.9. Accordingly, the ICSC has promulgated the revised scale of pensionable remuneration effective 1 February 2018, which is shown in Annex V to the present document. Sufficient financial coverage was built into the 2018–2019 budget (IDB.45/5).

IV. Action required by the Board

19. The Board may wish to take note of the information contained in the present document.

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IDB.46/20

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Item 15 of the provisional agenda
UNIDO, gender equality and the empowerment of women

UNIDO, gender equality and the empowerment of women

Report by the Director General

At its seventeenth session, the General Conference inter alia called for gender mainstreaming to be scaled up and efforts to be strengthened to achieve gender parity in the staffing of the Organization (resolution GC.17/Res.3). This report therefore provides information as follows: Part 1 outlines the findings of the participatory midterm review of the UNIDO Policy on Gender Equality and Empowerment of Women (UNIDO/DGB(M).110/Rev.2 of 27 November 2015) and the Gender Equality and Empowerment of Women Strategy, 2016-2019 (document GC.16/8). Part 2 contains a summary of the UNIDO gender parity action plan, which is informed by the gender policy and strategy and the recommendations from the review undertaken in 2018.

I. Key findings of the midterm review

1. Through consultations with UNIDO staff, Member States and other United Nations agencies, the midterm review of the UNIDO Policy and Strategy on Gender Equality and Empowerment of Women (GEEW) assessed its implementation by the Organization. The review focused on three main areas: (I) relevance of the policy and strategy; (ii) effectiveness of their implementation; and (iii) recommendations to strengthen their delivery.

Areas of progress

2. UNIDO has completed or is on track to meet 95 of the 120 actions committed to in the policy and strategy. Since the start of their implementation period, the Organization has progressed most strongly in (I) increasing the quality of gender-responsive design in programmes/projects; (ii) strengthening institutional arrangements for advancing GEEW throughout the Organization's programmatic and organizational structure; and (iii) resource-tracking of gender-responsive projects

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through the gender marker system. The areas of least progress were (1) mainstreaming of gender-related responsibilities and ensuring accountability across the Organization, with the burden of expectation remaining primarily on the resource-constrained Gender Office; (ii) achieving gender parity, in particular at senior levels; and (iii) use of organizational units' annual gender plans as tools for facilitating implementation of commitments and identifying responsibilities and needs.

Supporting factors

3. Several internal and external factors supported the progress achieved. A robust organizational policy and strategy aligned with United Nations system-wide requirements on GEEW provided a clear framework of guidance and accountability. This was facilitated by a strong and visible leadership from the Director General, and supported by senior managers. Implementation was driven by the Gender Coordinator with the support of dedicated experts, interns and the rotational Gender Officer, as well as the gender focal point network and a core group of extremely committed staff members. Financial resources to support implementation were a key determining factor, with one Member State, Finland, providing extrabudgetary support to strengthen implementation of the strategy.

4. External factors included support by Member States and donors to advance gender equality in industrialization. Their requirements for strengthened gender mainstreaming within their funded projects and across the Secretariat have brought increased momentum and accountability for such actions. The adoption of the Secretary-General's System-wide Strategy on Gender Parity (2017) similarly increased momentum toward achieving gender parity. Lastly, UN Women's leadership in implementing the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP) framework and the international community's commitment to GEEW in the 2030 Agenda and its Goal 5 helped advance GEEW throughout the Organization.

Recommendations

5. The findings led to a number of recommendations to strengthen delivery of the policy and strategy by 31 December 2019, and for the development of the next UNIDO Strategy on Gender Equality and the Empowerment of Women:

(a) **Strengthened responsibilities for gender mainstreaming**: "Business owners" should be identified for each priority area of the policy, strategy and the UN-SWAP, and specified in the new strategy. Responsibilities should be allocated to respective departments who will report on those factors. The Gender Office should retain clear boundaries around the limits of its coordinating/coaching/monitoring function. All staff should set at least one work and learning objective on gender in their annual performance plans;

(b) **Build staff and leadership capacity to respond to commitments**: All staff should complete the "I Know Gender" training as a mandatory requirement. A tailored executive leadership for gender equality programme should be rolled out as a priority. Departments and divisions should engage more robustly with their annual gender equality work plans.

(c) **Build capacity for and strengthen the collection and analysis of sex-disaggregated data**: These data will strengthen monitoring, evaluation and reporting, and enhance reporting on organizational and programmatic results on gender, including assessing UNIDO's contribution to achieving the SDGs;

(d) **Development of a robust communications strategy**: This will help communicate achievements made by the Organization and its donors both internally among staff and externally to partners and Member States, clarifying the links between UNIDO's mandate and gender equality, and strengthening organizational commitments to GEEW. Moving forward, this should enable stronger gender

transformative programming as aligned with UN-SWAP 2.0, and gender parity as aligned with the System-wide Strategy on Gender Parity;

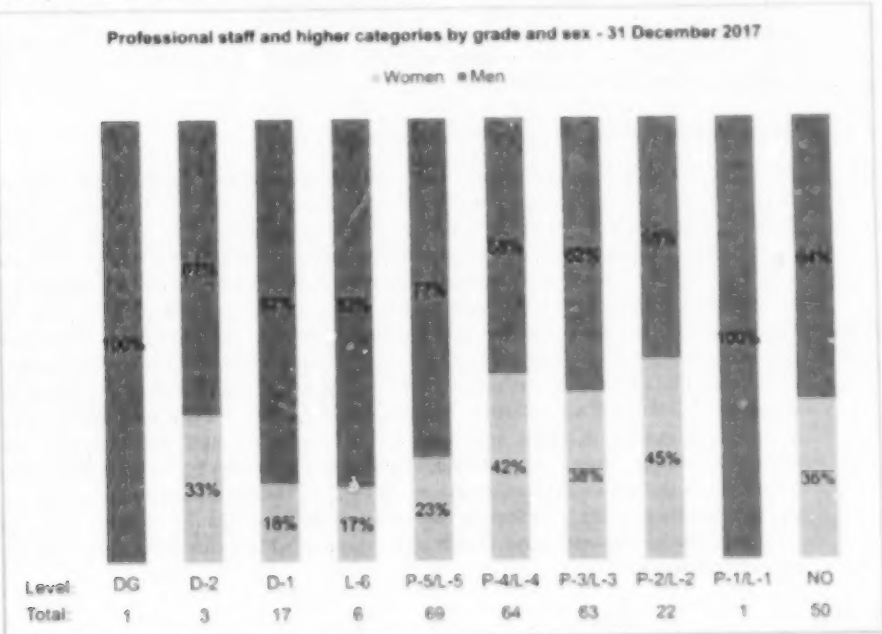
(e) **Development of a gender parity action plan**: Gender under-representation in specific staff categories should be addressed through targeted modifications to recruitment policies and procedures. Internally, further promotion of an enabling work environment, including career development, elimination of bias and flexible work arrangement policies, will foster a productive and inclusive workplace.

II. UNIDO gender parity action plan, 2018-2023

6. The findings of the midterm review informed the development of an action plan in line with recommendation (e) above, to achieve gender parity throughout the Organization. The gender policy affirms UNIDO's commitment to gender parity, defining it as equal numbers of men and women at all levels of an institution or organization, particularly at senior and decision-making levels. The gender strategy highlights gender parity as one of three organizational gender priority areas and calls for intensive efforts to develop new initiatives increasing the participation and representation of women, specifically at professional levels. Member States have also called for gender parity, most recently in resolution GC.17/Res.3, which requested the Director General to strengthen efforts to achieve gender parity by drawing on best practices and lessons learned as described in the System-wide Strategy on Gender Parity. The System-wide Strategy commits to gender parity in the United Nations system, setting the target of achieving this at senior levels of leadership by 2021, and across the board by 2026. For those entities such as UNIDO, facing a steeper slope of change, the end goal is set at 2028. Meaningful inclusion of women in decision-making increases effectiveness and productivity, and brings new perspectives and solutions.

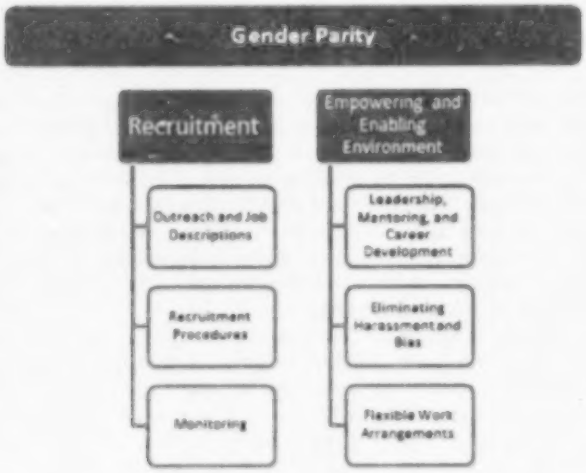
Current status of gender parity in UNIDO

7. Despite some progress, there is still a lower representation of women at every professional level in UNIDO. This is more pronounced at senior levels, as is evident in the chart below, showing the percentage of men and women members of staff at each professional rank as of 31 December 2017.



Action plan

8. The action plan outlined below targets areas with corresponding actions to (I) remove obstacles to the recruitment, retention, promotion and mobility of women members of staff, and (ii) create an enabling working environment, in line with the System-wide Strategy on Gender Parity.



Target 1: Recruitment

9. The action areas listed under the "recruitment" target include increased outreach to women and removing bias from recruitment procedures. Measures under these action areas are intended to increase the number of qualified women applying for vacancies and maximize the number of qualified women recruited. Actions include, inter alia, requiring a minimum of 30 per cent of applications from the under-represented sex for further assessment; reviewing job profiles and vacancy announcements to address bias; developing targeted recruitment programmes; masking personal information from hiring managers; and ensuring gender balance in recruitment panels, and gender-responsive and competency-based interviewing skills training for interview panellists.

Target 2: Empowering and enabling environment

10. The action areas listed under "empowering and enabling environment" outline measures for improving the morale, productivity and sense of well-being of all UNIDO employees by promoting diversity, career development, flexible working arrangements and family-friendly policies. By creating an inclusive working culture and focusing on career development, the action plan aims to unlock resources, strengthen efforts and attract future employees, both women and men, so that the Organization can fully deliver on its programmatic commitments. Envisaged measures include, inter alia, integrating a gender perspective and prioritizing women members of staff in all relevant learning and managerial/leadership development programmes; expanding internal capacity-building and mentoring programmes; trainings on gender, diversity and unconscious bias for all staff; implementing and reviewing policies to prevent harassment and abuse of authority, as well as policies on ethics, on the administration of justice, on conflict resolution and on the protection against retaliation; and increasing the availability and use of flexible working arrangements to accommodate family care responsibilities, including for sick and ageing family members.

Accountability

11. Accountability for implementation will be ensured by the Director General cascading goals on gender parity to managing directors and directors through the staff performance appraisal exercise. The Department of Human Resources Management (HRM) will monitor data on staff selection at each level of recruitment, develop a dashboard to display real-time sex-disaggregated staffing data and the Director of HRM will report regularly on gender parity to the Director General. Such reports will also be made to the policymaking organs through the annual reports on UNIDO staffing and on gender equality.

III. Action required of the Board

12. The Board may wish to take note of the information provided in the present report.

United Nations Industrial Development Organization

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Matters related to intergovernmental, non-governmental, governmental and other organizations

Review of the consultative status of non-governmental organizations

Report by the Secretariat

In compliance with decision IDB.45/Dec.16, the present report provides information on the consultative status of non-governmental organizations.

I. Background

1. The Industrial Development Board may accord consultative status to international and national non-governmental organizations (NGOs) in accordance with Article 19.1(b) of the Constitution and the provisions of the guidelines, issued by the General Conference at its first session, for the relationship of UNIDO with intergovernmental, governmental, non-governmental, and other organizations (GC.1/Dec.41 of 12 December 1985) (the "Guidelines"). The Guidelines set out the criteria and procedure for granting consultative status to NGOs and provide for a periodic review of consultative relations (para. 20 (a) and (b)).

2. In its decision IDB.45/Dec.16, the Board requested "the Secretariat to review the consultative status of non-governmental organizations and report to the Board at its forty-sixth session on the matter."

II. Review by the Secretariat

3. In August 2018, the Secretariat circulated a questionnaire to all NGOs currently in consultative status with UNIDO to assess the status of cooperation over the last three years (2015–2018). The NGOs were asked to return the completed questionnaire by 7 September 2018.

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4. The accompanying letter recalled the provisions of the Guidelines. Paragraph 20 (b) was quoted, by which "the Board may in reviewing the list conclude that an organization in consultative status, which has not shown interest and goodwill in cooperating with UNIDO during a period of three years, may be deemed not to have sufficient interest to warrant the continuance of such a relationship". It also informed NGOs that, should the Secretariat not receive a response indicating the organization's interest in pursuing its cooperation with UNIDO by the deadline provided, the Board may decide to discontinue the consultative status.

5. Of the 79 NGOs currently in consultative status, 16 returned the completed questionnaire, confirming their wish to work with UNIDO and maintain their consultative status. Despite failing to respond to the questionnaire, a further 16 have demonstrated their interest in continuing to cooperate with UNIDO in the past four years: 11 by participating in sessions of the governing bodies of UNIDO and five by concluding a working arrangement with UNIDO. Eleven of the remaining NGOs that failed to respond were either found to be inactive or could no longer be traced.

III. Action required of the Board

6. In accordance with decision GC.1/Dec.41, annex B, paragraph 20 (b), the Board may wish to consider discontinuing the consultative status those 47 NGOs listed in annex I of the present document. The status of the remaining 32 NGOs, listed in annex II, would be maintained.

V.18-06536

Annex I

Name of organization	Abbreviation/ acronym	Authority/ decision	Background information document
All-Russia Market Research Institute	VNIKI	IDB.21/Dec.13	IDB.21/28
Arab Fertilizer Association	AFA	IDB.2/Dec.29	IDB.2/5
Arab Iron and Steel Union	AISU	IDB.2/Dec.29	IDB.2/5
Association of African Development Finance Institutions	AADFI	IDB.2/Dec.29	IDB.2/5/Add.1
Association "Compagnia delle Opere"	CDO	IDB.21/Dec.13	IDB.21/28
Association of Financial and Industrial Groups of Russia		IDB.19/Dec.6	IDB.19/4
Association of Former United Nations Industry Development Experts	AFIDE	IDB.21/Dec.13	IDB.21/28
Austrian Senior Experts Pool	ASEP	IDB.15/Dec.11	IDB.15/11
Austrian Society for Environment and Technology	ÖGUT	IDB.17/Dec.8	IDB.17/12
Austro-Arab Chamber of Commerce		IDB.24/Dec.12	IDB.24/24
China Chamber of International Commerce	CCOIC	IDB.44/Dec.17	IDB.44/18
Consumers International	CI	IDB.2/Dec.29	IDB.2/5
Deula-Nienburg (German Academy for Agriculture and Technology)		IDB.19/Dec.6	IDB.19/4/Add.1
European Federation of National Engineering Associations	FEANI	IDB.2/Dec.29	IDB.2/5
European Federation of National Maintenance Societies	EFNMS	IDB.2/Dec.29	IDB.2/5/Add.1
European Organization for Quality	EOQ	IDB.2/Dec.29	IDB.2/5/Add.1
Institute of Higher Management	ISG	IDB.8/Dec.40	IDB.8/14
International Academy of Technological Sciences		IDB.10/Dec.21	IDB.10/13
International Association for Hydraulic Research	IAHR	IDB.6/Dec.20	IDB.6/4
International Centre for Earth Construction	CRATerre	IDB.6/Dec.20	IDB.6/4
International Chamber of Commerce	ICC	IDB.2/Dec.29	IDB.2/5
International Committee for Plastics in Agriculture	CIPA	IDB.2/Dec.29	IDB.2/5
International Council of Graphic Design Associations	ICOGRADA	IDB.8/Dec.40	IDB.8/14
International Council of Societies of Industrial Design	ICSID	IDB.2/Dec.29	IDB.2/5
International Federation for Heat Treatment and Surface Engineering	IFHTSE	IDB.8/Dec.40	IDB.8/14
International Federation for Information Processing	IFIP	IDB.14/Dec.24	IDB.14/23
International Federation of Agricultural Producers	IFAP	IDB.2/Dec.29	IDB.2/5
International Federation of Consulting Engineers	FIDIC	IDB.2/Dec.29	IDB.2/5/Add.1
International Fertilizer Industry Association	IFA	IDB.2/Dec.29	IDB.2/5
International Institute of Welding	IIW	IDB.2/Dec.29	IDB.2/5/Add.1
International Measurement Confederation	IMECO	IDB.2/Dec.29	IDB.2/5
International Network for Environmental Management	INEM	IDB.15/Dec.11	IDB.15/11
International Organization of Employers	IOE	IDB.2/Dec.29	IDB.2/5

Name of organization	*Abbreviation/ acronym*	*Authority/ decision*	*Background information document*
International Professors' Association	IPA	IDB.10/Dec.21	IDB.10/13
International Trade Union Confederation	ITUC	IDB.35/Dec.9	IDB.35/10
International Union of Food Science and Technology	IUFoST	IDB.2/Dec.29	IDB.2/5/Add.1
International Union of Leather Technologists and Chemists Societies	IULTCS	IDB.2/Dec.29	IDB.2/5
International Union of Technical Associations and Organizations	UATI	IDB.2/Dec.19	IDB.2/5
International Union of Testing and Research Laboratories for Materials and Structures	RILEM	IDB.2/Dec.29	IDB.2/5/Add.1
Latin American Association of Pharmaceutical Industries	ALIFAR	IDB.2/Dec.29	IDB.2/5
Latin American Organization of Intermediate Governments	OLAGI	IDB.35/Dec.9	IDB.35/10
Mountain Unlimited (Society for Development and International Cooperation)		IDB.21/Dec.13	IDB.21/28/Add.1
Verein Südwind Entwicklungspolitik		IDB.38/Dec.11	IDB.38/17
World Association for Small and Medium Enterprises	WASME	IDB.2/Dec.29	IDB.2/5
World Federation of Trade Unions	WFTU	IDB.2/Dec.29	IDB.2/5
World Packaging Organization	WPO	IDB.8/Dec.40	IDB.8/14
World Savings Banks Institute	WSBI	IDB.2/Dec.29	IDB.2/5/Add.1

V.18-06536

Annex II

Name of organization	*Abbreviation/ acronym*	*Authority/ decision*	*Background information document*
AISEC International		IDB.24/Dec.12	IDB.24/24
Arab Federation for Food Industries	AFFI	IDB.2/Dec.29	IDB.2/5
AVSI Foundation	AVSI	IDB.41/Dec.16	IDB.41/20
Center for Global Dialogue and Cooperation	CGDC	IDB.41/Dec.16	IDB.41/20
European Union of Public Relations	EUPR	IDB.14/Dec.24	IDB.14/23
Forum Francophone des Affaires	FFA	IDB.34/Dec.4	IDB.34/10
Global Alliance of SMEs	GASME	IDB.40/Dec.9	IDB.40/23
Global Options and Linkages	GOAL	IDB.33/Dec.10	IDB.33/13
International Alliance of Women	IAW	IDB.8/Dec.40	IDB.8/14
International Association for the Exchange of Students for Technical Experience	IAESTE	IDB.2/Dec.29	IDB.2/5/Add.1
International Association ZNANIE		IDB.24/Dec.12	IDB.24/24
International Centre on Small Hydro Power	ICSMP	IDB.19/Dec.6	IDB.19/4
International Congress of Industrialists and Entrepreneurs	ICIE	IDB.21/Dec.13	IDB.21/28
International Council of Women	ICW	IDB.2/Dec.29	IDB.2/5
International Electrotechnical Commission	IEC	IDB.2/Dec.29	IDB.2/5
International Federation of Automatic Control	IFAC	IDB.2/Dec.29	IDB.2/5/Add.1
International Federation of Business and Professional Women	IFBPW	IDB.4/Dec.45	IDB.4/17
International Foundation for the Promotion of Privatization and Foreign Investments	FPI	IDB.11/Dec.36	IDB.11/6
International Gas Union	IGU	IDB.40/Dec.9	IDB.40/20
International Investment Center	IIC	IDB.28/Dec.8	IDB.28/12
International Multiracial Shared Cultural Organization	IMSCO	IDB.17/Dec.8	IDB.17/12
International Network for Small and Medium Sized Enterprises	INSME	IDB.28/Dec.8	IDB.28/12/Add.1
International Organization for Standardization	ISO	IDB.2/Dec.29	IDB.2/5
ISEKI-Food Association	IFA	IDB.38/Dec.11	IDB.38/19
Organization for International Economic Relations	OIER	IDB.39/Dec.10	IDB.39/18
Organization of Islamic Capitals and Cities	OICC	IDB.11/Dec.36	IDB.11/16
Society for International Development	SID	IDB.2/Dec.29	IDB.2/5
Society of Chemical Industry	SCI	IDB.2/Dec.29	IDB.2/5
Soroptimist International	SI	IDB.14/Dec.24	IDB.14/23
World Association of Industrial and Technological Research Organizations	WAITRO	IDB.2/Dec.29	IDB.2/5
World Federation of Engineering Organizations	WFEO	IDB.43/Dec.11	IDB.43/17
World Free Zones Organization	World FZO	IDB.44/Dec.17	IDB.44/18